

GOVERNMENT OF INDIA
DEPARTMENT OF FOOD



Fourth All-India Food Conference

HELD IN NEW DELHI

ON

13th, 14th, 15th and 16th October, 1943

**FOURTH ALL-INDIA FOOD CONFERENCE HELD IN NEW DELHI ON
13TH, 14TH, 15TH AND 16TH OCTOBER, 1943.**

LIST OF REPRESENTATIVES.

(Government of India.)

1. The Hon'ble Sir Jwala Prasad Srivastava, K.B.E., D.Litt., *Chairman.*
2. The Hon'ble Dewan Babadur Sir A. Ramaswami Mudaliar, K.C.S.I.
3. The Hon'ble Sir Jeremy Raisman, K.C.S.I., C.I.E., I.C.S.
4. The Hon'ble Sir Edward Benthall.
5. The Hon'ble Sir Mohd. Aziz-ul-Huque, C.I.E., D.Litt.
6. Mr. R. H. Hutchings, C.I.E., C.M.G., I.C.S., Secy. to the Govt. of India, Deptt. of Food.
7. Maj. Genl. E. Wood, C.I.E., M.C.
8. Mr. M. S. A. Hydar, C.S.I., C.I.E., I.C.S., Secy. to the Govt. of India, Deptt. of Industries and Civil Supplies.
9. Sir Frederick Puckle, K.C.I.E., C.S.I., I.C.S., Secy. to the Govt. of India, I. & B. Department
10. Sir Theodore Gregory, D.Sc., Economic Adviser to the Govt. of India.
11. Mr. W. H. Kirby, Rationing Adviser to the Govt. of India.
12. Lt. Gen. T. J. Hutton, C.B., M.C., Secretary, W. R. C. C.
13. Sir Pbiroze M. Kharegat, Vice-Chairman, I. C. A. R.
14. Mr. B. R. Sen, I.C.S., Director General (Food).
15. Mr. N. C. Mehta, I.C.S., Sugar Controller for India.
16. Mr. A. A. Phillips, V.D., Controller of Railway Priorities, War Transport Department.
17. Mr. R. L. Gupta, I.C.S., J.F.A. (Food).
18. Mr. P. N. Thapar, I.C.S., Joint Secy., I. & B. Department.
19. Mr. S. Basu, O.B.E., I.C.S., Joint Secy., E., H. & L. Deptt.
20. Mr. Denys Scott, I. & B. Deptt.
21. Mr. K. G. Ambegaokar, I.C.S., Deputy Secy., Commerce Deptt.
22. Mr. R. H. Stubbs, Q. M. G.'s Branch.
23. Hon'ble Somerset Butler, Deputy Director General (Grains), D. G. Food.
24. Mr. W. H. J. Christie, O.B.E., I.C.S., Deputy Secy. Deptt. of Food.
25. Mr. N. T. Mone, I.C.S., Deputy Secy., Deptt. of Food.
26. Mr. N. N. Wanchoo, I.C.S., Under Secy., Deptt. of Food.
27. Mr. S. R. Maini, P.C.S., Under Secy., Deptt. of Food.
28. Mr. S. M. Yusuf, I.C.S., Under Secy., Deptt. of Food.
29. Mr. N. G. Abhyankar, M.Sc. (Lond.), Statistical Officer, Deptt. of Food.
30. Mr. A. R. Vyas, Information Officer, Deptt. of Food.

(Regional Food Commissioners.)

1. Khan Bahadur Sir Abdul Hamid, C.I.E., O.B.E.
2. Mr. J. B. Ross.
3. Rai Bahadur Col. Dina Nath, C.I.E.
4. Sir Colin Garbett, K.C.I.E., C.S.I., C.M.G.

(Provinces and Administrations.)

1. The Hon'ble Sir Mohammad Saadulla, Premier (Assam).
2. The Hon'ble Khan Bahadur Syed-ur-Rahman, Education Minister (Assam).
3. Mr. K. W. P. Marar, I.C.S., Director of Food Supplies (Assam).
4. The Hon'ble Mr. H. S. Suhrawardy (Bengal), Minister, Civil Supplies.
5. Mr. E. C. Anson, C.S.I., C.I.E., I.C.S. (Bihar), Adviser.
6. Mr. R. A. E. Williams, I.C.S. (Bihar), Secretary.
7. Mr. I. H. Taunton, C.I.E., I.C.S. (Bombay), Adviser.
8. Mr. A. D. Gorbala, I.C.S. Secretary (Bombay).
9. Sir Geoffrey Burton, K.C.I.E., I.C.S. (C. P.), Adviser.
10. Mr. H. S. Kamath, I.C.S. (C. P.), Director of Food Supplies.
11. Mr. S. V. Ramamurty, I.C.S. (Madras), Adviser.
12. Rao Sahib P. V. Subba Rao (Madras), Dy. Commr, Civil Supplies.
13. The Hon'ble Sardar Aurangzeb Khan (N. W. F. P.), Premier.
14. Sardar A. R. Nashtar, Finance Minister (N. W. F. P.).
15. Mr. G. H. Emerson, I.C.S. (N. W. F. P.), Deputy Secretary.

16. Mr. C. S. Jha, I.C.S. (Orissa), Secretary, Supply.
17. The Hon'ble Sir Chhotu Ram (Punjab), Revenue Minister.
18. The Hon'ble Sardar Baldev Singh (Punjab), Development Minister.
19. Mr. N. M. Buch, O.B.E., I.C.S. (Punjab), Director of Food Supplies.
20. Mr. E. N. Mangat Rai, I.C.S. (Punjab), Asstt. Director, Food Supplies.
21. The Hon'ble Sir Ghulam Hussain Hidayatullah, Premier (Sind).
22. Mr. J. C. Bolton, I.C.S. (Sind), Director of Civil Supplies.
23. Mr. A. W. Ibbotson, C.I.E., M.B.E., I.C.S. (U. P.), Adviser.
24. Mr. L. P. Hancox, O.B.E., I.C.S. (U. P.), Secy., Civil Supplies.
25. Mr. S. Khurshid, I.C.S. (Ajmer-Merwara), Chief Commissioner.
26. Rai Sahib M. Jawahar Lal Rawat (Ajmer-Merwara), Director, Food Supplies.
27. Capt. I. S. Chopra, M.B.E., I.P.S. (Baluchistan), Director of Food Supplies.
28. Mr. A. V. Askwith, C.I.E., I.C.S. (Delhi), Chief Commissioner.
29. Mr. A. H. Dracup, O.B.E. (Delhi), Director of Civil Supplies.

(Indian States.)

1. Sir C. P. Ramaswami Aiyer, K.C.S.I., C.I.E. (Travancore and Cochin).
2. Mr. Narayana Iyer (Travancore), Director of Food Supplies.
3. Mashir Bahadur C. G. Mathar (Indore), Revenue Minister.
4. Rai Bahadur S. V. Kanungo (Admd. Areas), (Central India).
5. Mr. K. M. Panikkar (Bikaner), Offg. Prime Minister.
6. Mr. A. B. Achrekar, M.A., LL.B. (Deccan States), Dewan of Janjira.
7. Mr. S. K. Kelavkar (Kolhapur), Judicial Minister.
8. Rajyaratna S. V. Mukerjee (Cutch), Dewan.
9. Mr. K. V. Bhatt (Cutch), Deputy Secretary.
10. Mr. R. M. Crofton, C.I.E., I.C.S. (Bahawalpur), Prime Minister.
11. Sir Frederic Anderson (Bahawalpur), Revenue Minister.
12. Mr. J. F. G. Sykes, I.C.S. (Punjab States), Deputy Secretary.
13. K. B. Mian Abdul Aziz, O.B.E. (Kapurthala), Chief Minister.
14. Mr. L. Balakrishna (Punjab States), Group Liaison Officer (Food).
15. Major Hailey (Baroda and Gujarat States), Secy. to Resident.
16. Mr. R. S. Mane Patil, B.A., LL.B. (Baroda), Revenue Minister.
17. Diwan Bahadur Brijchandra Sharma (Jaipur), Revenue Minister.
18. Khan Sahib A. A. Kheri (Jaipur), Director of Supply.
19. Capt. R. G. Wreford (Kashmir), Special Secretary.
20. Mr. Udeyraj (Jodhpur), Price Control Officer.
21. Mr. M. A. Sreenivasan (Mysore), Minister.
22. Mr. K. B. L. Seth, I.C.S. (Alwar), Chief Minister.
23. Kunwar Raghubir Singh (Alwar), Home Minister.
24. Mr. A. V. Ramanathan (Bharatpur), Dewan.
25. Mr. Hari Datta (Bharatpur), Director of Food Supplies.
26. Dr. M. S. Mehta (Mewar), Revenue Minister.
27. Mr. S. N. Mehta, I.C.S. (Kotah), Prime Minister.
28. Kunwar Gajendra Singh (Kotah), Secretary.
29. Mr. W. V. Grigson, I.C.S. (Hyderabad), Revenue Minister.
30. Mr. Mir Khan (Hyderabad), Financial Adviser.
31. Capt. A. C. K. Maunsell (Eastern States), Secy. to Resident.
32. Rao Sahib M. G. Ghooi (Eastern States).
33. Maj. Sardar M. R. Phalka (Gwalior), Revenue Minister.
34. Mr. R. G. Rajwade (Gwalior), Director of Food Supplies.
35. Sir Joseph Bhole (Bhopal), Minister.
36. Mr. Haider (Bhopal).
37. Mr. R. H. Saloway, O.B.E., I.C.S. (Rampur), Revenue and Finance Minister.
38. Mir Maqbool Mahmood (Chamber of Princes), Secy. to H. H. the Chancellor.
39. Rao Bahadur Manilal K. Kaji (Western India States).

The Fourth Food Conference met in Committee Room No. 53 of the Council House, New Delhi, at 10-30 A.M. on Wednesday, the 13th October, 1943. The Honourable Sir Jwala Prasad Srivastava, Member for Food, was in the Chair.

The Honourable Sir Jwala Prasad Srivastava, in opening the Conference, delivered the following speech:

"Gentlemen, in welcoming to this Conference, you, the representatives of the Administrations of the Provinces and States of India, I do not propose to take up your time with any lengthy review of past events. We have met to take decisions for the future. This Conference is a business meeting of those who will have to put into execution, and administer, the measures necessary to relieve the present distress, of which we are all so acutely aware and to prevent and forestall recurrences of similar distress in the future. We have before us the report of the Foodgrains Policy Committee on which your Governments were represented. The report represents months of hard study and thought on one of the most complicated and baffling problems which have ever faced the Administration in India. We ought to be, and I am sure I am myself immensely grateful to the members of that Committee and its staff for their labours. They have presented not only a clear picture of the facts but a practical plan for the future which is, if I may say so, the only such plan which is before Government and the public. I have called this Conference together, therefore, not for the purpose of debate, but rather to arrive at an agreement on the action that seems right and proper in the light of the Report of the Committee.

2 The situation in which we find ourselves today demands the united and unselfish efforts of all concerned. If there is one thing that the tragic events of the past few months have demonstrated it is the fact of the economic unity of India and the inter dependence of the several provinces and States on each other and on their combined resources. Whatever may have been the case in normal times, what goes on in each Province or State in the matter of the production, distribution and utilisation of food supplies can no longer be regarded as the undivided concern of that Province or State. It is on the contrary, the concern of everyone in India. In particular it is my concern, for failure to utilise to the full local resources creates increased demands on the resources of others. It affects not only our neighbours within India but the Allied Nations to whom we look for help. I would ask you, gentlemen, to approach your deliberations in the spirit that we must think for each other and not for ourselves. I hope that my words in this room will echo far outside its walls so that every Indian however humble, may be inspired to feel not only that he can, by unselfish and public spirited conduct make a contribution to the welfare of his motherland, but will be moved to accept also that it is his bounden duty so to do, at whatever sacrifice to himself.

3 Nothing can be more clear than that public opinion in India, and in the world at large, now looks to the Government of India to lead and direct your united efforts within the common plan. I conceive it to be my unescapable duty as Food Member of the Government of India to accept that challenge and the trust that it implies. I shall discharge it by every means at my command. In accepting that trust I look to you the representatives of the Provinces and States to give me your support and your co-operation. I know that I shall not look in vain but I ask you to go further. In the mobilisation of India's resources the Government of India will have to take, and implement decisions which may, at times, conflict with what appear to be local or sectional interests. Whenever possible, and to the greatest extent possible, the Government of India will proceed after consultation with you and with your consent, but if circumstances should compel us to proceed otherwise, I look to you to accept and implement those decisions which we, and we alone can take on behalf of all.

4 None realises more fully than I that our hope of success in the mobilisation of internal resources lies in the zeal, the ability and the diligence of the

Provincial and States Administrations. There is nothing which can replace the focus of your entire resources on the common purpose. But we can no longer afford either failure, or the prospect of failure, and I, in the discharge of the duty which is mine, shall not hesitate to exercise whatever degree of superintendence and control at every stage may be necessary, or to invoke and use whatever powers are essential to ensure success.

The need for concerted and sustained effort by all is self-evident. The report makes it clear that the problem is not merely one of allocating and distributing surpluses nor of securing imports. These are important, indeed, vital factors but the problem is insoluble without efficient procurement and efficient distribution in every part of India both in the deficit and the surplus areas. If we are to convince the world and the Allied Nations, and we must convince them, of the justification for the allocation of precious shipping for the importation of food, we must convince them that we have gone to the utmost to help ourselves. Nothing therefore must be left undone to ensure that we are making available to the public every ounce of food that we can produce. The first test will be our procurement arrangements for the Kharif crops. We shall, in the course of this Conference, be discussing other measures such as rationing, designed to secure equitable distribution, and the economic use of our resources, and I trust that in your approach to these questions you will constantly bear in mind that the eyes of the world are upon us.

There are three announcements of policy, which are the peculiar province of the Government of India itself, which I can make at this stage. The first is that we accept the recommendation of the Committee that India must cease to be a net exporter of foodstuffs. We have in effect already put that policy into force. The export of foodgrains from India has been stopped. The only exception to this order that I shall permit in future is the export of small quantities of foodgrains for provisioning ships sailing from Indian ports and for the use of the Indian seamen of the merchant navy, within the confines of the Indian Ocean, on whose courage and devotion so much depends. In addition I shall, under my personal supervision in each case, and when satisfied that it is unescapable, allow the export of small quantities for the use of vital personnel on our air lines of communications in countries adjacent to India, and for a few isolated communities in neighbouring countries, who cannot obtain sustenance except from us. I think that I shall have your support and support of the people of India in supplying their bare minimum necessities. The total quantities involved will be less than 1,000 tons a month and in my import calculations this factor will be taken into account.

The second point which I would mention is that of imports. I have said that the vastness of our problem cannot, in existing conditions, be solved by importation alone. Nevertheless, the Government of India appreciates to the full the vital part which imports can and must play, and accepts the recommendations in this behalf which the Foodgrains Policy Committee has made. We have already and, I may say, before the report was received, been in the closest touch on the subject with His Majesty's Government. You will have seen the announcement which has already been made of a substantial allocation of shipping for the purpose. I would only add that my Government will not cease to make every effort to secure for India such further allocations as may be necessary to implement to the full the recommendations of the Committee.

The third point is that it is my definite intention to associate public opinion with our work. With this object in view I propose to set up at the Centre, in an advisory capacity, a body representative of all important elements. I consider the advice and collaboration of non-officials to be absolutely necessary in our task and I trust that it would prove possible for me to enlist the co-operation of all sections of my countrymen. As I am never tired of saving the task of feeding the hungry and of securing the full and equitable distribution of the country's food resources is something which admits of no party nor communal barriers. In this matter I feel that I have a claim on every countryman and countrywoman, and I am confident that I am not appealing to them

in vain. The distress which prevails in many parts of the country has stirred all of us to the depths. It is our sacred duty to alleviate that distress and prevent its recurrence. As is only natural countrywide sympathy has been aroused and manifested in many generous offers of help from every side. I tender my thanks to each and everyone who has come forward to help in this hour of need. I am deeply grateful to His Majesty's Government and to the Allied Nations for what they have already done to place shipping at our disposal. I appeal to them not to relax their efforts, and I can assure them not only that we need all the help that they can give, but that they will reap a very rich reward in the gratitude of the teeming millions of this land who receive their succour.

5. Gentlemen, I will not take up more of your time and I propose now to begin our deliberations by asking in turn the representatives of all Provinces and States to give us an indication of their general reactions to the policy advocated by the Foodgrains Policy Committee."

Chairman: We shall begin with Assam. As time is short, I would suggest that the speeches may be likewise short and it is unwise to refer in the preliminary discussion to matters which find a place on the agenda. Those matters can be dealt with when the appropriate item on the agenda is being considered.

The Hon'ble Sir, Mohd. Saadulla (Assam): Mr. President and Gentlemen: From the agenda that has been placed before us, I find that what is wanted is a brief statement of the general reactions of the Provincial Governments to the report of the Food Grains Policy Committee. Assam which is probably farthest from Delhi received the report of this Committee after I had left the Headquarters. As a matter of fact, it came to my hands on the 8th October when I had already boarded the train for my long and tedious journey to Delhi. It is therefore too much to expect the views of the Provincial Government whom I cannot commit here or my own reactions to the recommendations made in the report. I have studied very hurriedly three-fourths of the report up till now and I can say that my own reactions are generally in support of most of the recommendations.

It is also expected that I should place before this House the general food position of Assam. Assam had been helping itself and its neighbour in the past with the main food stuff, that is rice. Our only misfortune was and is our propinquity to the distressed province of Bengal. To give the position of Assam in a nutshell I can say that rice is the staple food of the people, the crop is harvested in 3 different times of the year. The main winter crop is harvested in January and it forms about 75 per cent. of our total produce. The next is the deep water paddy which is commonly known as Buro paddy. It is harvested in May. The autumn rice which is known generally as the nush paddy is harvested in July. The total expected production of all three crops, is in the neighbourhood of about 19 lakhs of tons. Our total population which in the 1941 census was estimated to be 9 crore and two lakhs has, on account of the province being on the front line of the war, had a tremendous influx of outside population, and it will not be wide of the mark if we say that our total population at the present moment is 11 millions. Working on the basis of 10 chataks of rice per adult, which according to popular opinion is an under-estimate but which according to scientific opinion of no less a person than Dr. Aykroyd is the minimum requirement of the labouring class in Assam, we require so much that we get only about 100,000 tons as surplus. This surplus we have been freely giving to all and sundry. Our main commitments are 12 lakhs of maunds or 45,000 tons to the army that is stationed within the province. We have also agreed to supply in monthly instalments a little over 2 lakhs of maunds for the personnel that are employed in the various Defence projects. We were asked to give about 15,000 tons of rice to Bengal, but ultimately we committed with the Central Government to give them 10,000 tons only. That is on the basic plan, but the drain of Assam's rice into Bengal, apart from the basic plan, is tremendous. As most of the Hon'ble Members sitting round this table do not know how this drain goes to Bengal and as I

have not much time at my disposal, I place before this Conference just two facts.

The deep water paddy has to be harvested within the space of 10 to 15 days otherwise there is every likelihood of it either being heavily damaged or totally lost through early floods. Local labour is not sufficient to harvest this crop and therefore every year about 100,000 labourers used to come to Assam to help in reaping this paddy. The customary payment is in kind, that is, for every 40 maunds of paddy harvested one maund goes to the reaper. Unlike other years, this year we licensed every labourer that flowed into Assam from Bengal and we also limited the maundage of paddy that could be carried away by them to Bengal. I have been told by the District authority of the only district where this deep water paddy is grown, namely, Sylhet, that he had to issue as many as 80,000 permits to labourers coming from Bengal into Assam and as the maximum they could carry was limited to 8 maunds, they carried at least 640,000 maunds of paddy or in terms of rice, 4 lakhs of maunds. Then, we have a very long boundary line between Assam and Bengal. It runs to about 300 miles, and throughout this border land, the main Bazaars or Hats stationed on the Bengal side. The Assam cultivators in normal years could carry as much rice and paddy to sell in those Hats. They used to sell at their pleasure and with the proceeds thereof they used to buy their other necessities of life. This year we had to restrict the quantity that could be taken to these Hats. It was restricted to a man's load and a man's load is on the average $1\frac{1}{2}$ maunds of rice. The population living on this border line is in the neighbourhood of 4 lakhs. If one out of five people takes a man's load to Bengal, then at least over a lakh and a half maunds of rice is being taken away to Bengal every year. This stuff has gone to Bengal apart from the basic plan.

Then, before the Government of India was forced to start the experiment of free trade between Bengal and part of Assam, we had established checking stations alongside the border so that smuggled rice and paddy may not be taken to Bengal. I have reports to show that in the district of Sylhet about half a lakh maund of paddy and about 800 maunds of rice was seized by our patrols. The quantity that was smuggled out, nobody can estimate, whereas in the Assam valley the quantity that was seized by our Police and the checking staff was in the neighbourhood of one lakh maunds of paddy and 2,000 maunds of rice. From this alone Hon. Members may gather the idea of what quantity was taken away by smugglers. When the Government of India started free trade, there was no limit to the quantity that was carried to Bengal. I am told that on the eve of the inauguration of free trade about 1,000 country boats of the capacity of 700 to 1,000 maunds were amassed on the border of Assam and some 2,000 merchants with licences from the Bengal Government marched into Assam on the day when the free trade was introduced. The quantity that was transported over to Bengal one can gather from this simple fact which I will place before the House. During the period when free trade was withdrawn, that is, between the 15th July and the 15th August, we tried to get the figures of paddy and rice that was booked by either train or steamer service from Surma Valley to Bengal and it has been ascertained to be 2,54,000 maunds of paddy exported only by a few licencees. From this Hon. Members will be able to judge that the quantity of rice and paddy that has gone to Bengal from Assam, apart from the basic plan, is in the neighbourhood of about 20 lakhs of maunds. Over and above this, we have been asked to give 7,300 tons of rice more. Out of that, the total quantity except a small balance of 11,000 maunds has been delivered to Bengal. So, our help to feed the needy people of Bengal has been enormous but we do not lay stress on that. I am in the happy position to announce here that apart from the rice that is already gone and apart from what the higher authority, I mean, the Central Government, has asked us to deliver to Bengal, I am considering whether I could not of my own volition come to the help of Bengal and offer them a further substantial maundage of rice. (Hear, hear.)

The position in the Assam valley is very hopeful. We started price control from the 15th September and we intend to bring the price of rice after the main harvest, that is, after the 15th January, to three times the normal level as the price of other foodstuffs has gone up very nearly three times. That is, we want to stabilise it at Rs 16. We started with Rs 25 per maund maximum for the month, that is, from 15th September to 15th October, and for the next month, that is, from 15th October to 15th November, with Rs 23 8 0, and I have the report from all the Government agents that they have had no difficulty whatsoever to buy the month's requirement for a lakh and a half maunds at the controlled rate. Unfortunately, I cannot give the same satisfactory report of the Surma Valley where the price has not reacted to our control on account of the very high price that is ruling in Bengal. When I left Assam, it was reported that in the neighbouring districts of Chittagang, Comilla and Mymensingh in Bengal the price of rice was in the neighbourhood of Rs 80 per maund. It is beyond human nature to expect the Assam cultivators to sell at Rs 25 in Assam when across the frontier they can sell it at Rs 80 per maund. But for this disturbing factor, I am in a position to say that we have been able to regulate the flow of rice to the markets and also to secure our requirements at controlled price for meeting the military and other commitments from the Assam Valley.

The Hon'ble Sardar Mohd Aurangzeb Khan (N W F P) Sir, As the saying goes 'brevity is the soul of wit', I shall be as brief as possible. The Ministry in the Frontier Province is still a baby Ministry, only five months old, and I appear like a baby elephant, before you. At this stage I leave the question of the elephant but will only deal with the prattle of a baby. I will confine myself to the special features of the Province. The special features of this border province are that on our own border we have the people of border area to feed (which is not British India), and they are equal in number to the population of N-W-F-P. These facts are practically deficit areas to which the Hon'ble the Food Member has also referred in his opening speech as a special charge on us. He has said that there are certain restricted areas about which the Government of India will see that they are adequately supplied.

Then, we have got Afghanistan on our borders and quite a large number of Afghan subjects, as nomad tribes come to our Province and get their hospitality there. Even in these hard days we always entertain our friends. Now, Sir, these commitments as far as the border people are concerned, as far as the people from Afghanistan are concerned, they are not our Provincial commitments. We do not offer them shelter or provisions in any grudging spirit. As far as our connection with the Central Government is concerned, we have always co-operated in every respect,—we have always supplied information, and I assure the Government of India that from us nothing but co-operation will be forthcoming. I have to mention another special feature to this Conference, that in normal peace times we used to receive a lot of grain stuff, we used to import a lot of grain stuff from the Punjab, our parent Province, but taking into consideration the difficulties of other areas we have received so far very little from Punjab, though the promise is there. The spectre of Bengal haunts every other Province of India and therefore as regards N-W-F-P in the matter of food stuffs and its calculations I, in the words of Mr. Amery, like an elephant, must be very cautious in crossing the bridge—therefore I submit we will not be very generous in giving out anything to other Provinces. Food, we have none to give to our unfortunate brethren in Bengal but the little silver we have, we have already sent and we will try to send more. This time, in spite of our limitations, we have promised to give, we have almost given 30 000 tons of barley, from a little Province like N. W. F. P. with six districts—this is no mean contribution.

There is one thing more, as I pointed out, if our Province becomes another Bengal if we are not vigilant, or if we are not cautious and guard our people in the Frontier as well as in the border areas, and others mentioned above, they will not allow themselves to be gradually starved to death like our

unfortunate Bengali brethren, but will first kill us, the Government. Therefore I appeal to the Government of India and to the other Provinces and the States that they should look to our limitations and they should not put a great strain on our supplies. We will be most grateful for this. When I was coming to this Conference my friends of the Government, my friends from outside the Government and the public also unanimously said that as far as they were concerned, if they get wheat to the tune of one lakh maunds, they will have no complaint whatsoever. The granary of India is the Punjab. Through the good offices of the Government of India, the Punjab kindly promised us 5,000 tons of wheat. So far we have taken very little from them. There are still lean months ahead. I have not come to place any complaint before this Conference. We have always co-operated. I hope we will take back the co-operation and the confidence of the Government of India when we go back to our Province.

One word more and I have finished. As far as rice is concerned we cannot use the word generous to Bengal. It is our duty to do our bit towards them. We have already waived our claim to the rice quota to which we were entitled so that it may be given to our starving brethren of Bengal.

With these words, I thank you very much for the patient hearing. I hope I have been as brief as I promised and I resume my seat.

The Hon'ble Sir Chhotu Ram (Punjab): Sir before I say a word about the general reactions of the Punjab Government to this Food Committee's report and its recommendations, I should like to say a word of explanation about my own personal attitude. From the minute of dissent recorded by Sir Purshotamdas Thakurdas, I find that he has quoted some press report of some imaginary speech of mine which attributes to me the following notions: "Even today one hears of the Minister in charge of Agriculture in the Punjab going round and preaching to the grower not to part with his wheat at the current prices but to hold the supplies for higher prices and according to one newspaper report, the price indicated by the Punjab Minister was Rs. 15 a maund". Sir, I will not be long over this unfortunate report of my speech. I will only say that it is the blackest of black lies that can possibly occur to the imagination of any one. When I come to the question of prices which I am sure will be taken up for specific discussion at this Conference, I shall be able to disclose many facts which will be entirely to the credit of the Punjab Government and the Punjab Province, but which, I am afraid, will not be very complimentary to the attitude which the Government of India have followed consistently towards the Punjab as compared with other Provinces.

The next point to which I will make reference is this lucid statement which has been prepared by my Honourable Colleague Sardar Baldev Singh. In this pamphlet (copies of which have been placed at the seat of every member), the readers will find a large amount of very valuable information which will throw light on the ill-understood or misunderstood attitude of the Punjab Government. With regard to what has been done by the Punjab Government and what the Punjab Government is prepared to do for the hungry province of Bengal and other deficit areas, I will only say this that the sympathy of the Punjab Province goes out to Bengal and other deficit areas of India. We have done a great deal more than any other Province or all other surplus provinces put together and we will continue to do the same in future. In some respects we have already exceeded the quota which was assigned to the Punjab in the matter of supply. Even in respect of wheat, we have done a great deal more than circumstances would ordinarily permit. I will quote these figures almost immediately. But the blame which has been alleged to lie at the door of the Punjab ought to be laid somewhere else. It has been said over and over again that the Punjab is the stumbling block in the way of supplies. The Punjab is not the stumbling block. In fact if there is any Province in India, it is the Punjab which has done its duty and more than its duty. Here are some figures. They are contained in the statement which has been prepared by Sardar Baldev Singh. The first portion consists of supplies in respect of all food grains month

by month. It commences from May and ends on 25th September 1943. These figures you will find on page 9 of the statement:

All Foodgrains.

(In tons)

Months	Purchases	Despatches	Undespatched balances.
May	195,512	16,187	179,325
June	42,220	62,582	158,969
July	56,127	73,459	141,637
August	19,489	82,063	78,403
September	27,244	42,701	63,006

I now come to the figures of Wheat alone.

Wheat

(In tons)

May	147,591	12,425	135,166
June	13,813	40,373	108,609
July	27,903	50,075	86,439
August	80	50,136	36,383
September to 25th	11,282	24,543	23,122

These figures do not include the purchases made by the Defence Department. They relate only to the supplies which have been purchased for the civil population. I hope the gentlemen present here will now realise whether the Punjab is to blame or somebody else is to blame. In August and one or two other months, the purchases seem to be much below the normal, but the reason is not that the Punjab was not prepared to make purchases or that the Punjab grower was not prepared to part with surplus wheat, but the reason was that the Government of India did not want to enter the market for making purchases with the deliberate object of forcing down prices. I have already stated that when I come to the specific discussion of prices I will show how the Punjab has been made to suffer by the hostile attitude which has been adopted by the Government of India.

Mr. R. H. Hutchings: Might I ask you to explain to the Honourable Members where this balance of 63,000 tons of grain now is?

The Hon'ble Sir Chhotu Ram: I think on the platforms of railway stations or in godowns.

Mr. N. M. Buch (Punjab): May I supplement this answer? This 63,000 tons consists of all foodgrains. Out of this nearly 20 to 25 thousand tons is wheat. Part of it—nearly 10,000 tons—was September delivery, out of which 6 or 7 thousand tons has been despatched. The remaining is lying on the platforms. You might say that the number of wagons which is fixed at present is 80 and that has not been filled up. There are other explanations for that and I will come to them at the proper time, but the point is that till the Honourable the Food Member arrived in Lahore, from 8th to 10th September, the Punjab average of wagons loading was 81 as against 80 fixed by the Government of India. After that date I have got daily figures: On some days loading has been as much as 135 wagons in spite of the fact that 10 to 20 wagons a day which were to have been taken up by wheat products have not been taken up over a period of 2 or 3 months and in spite of the fact that some of these 2 wagons were to be filled up by despatches from the Punjab States and this stuff from the Punjab States has not moved. The average even now works out to eighty-one wagons. I know that loadings have fallen in the last few days. I have been warning everybody. I told the Honourable the Food Member in Lahore that in a few days there may not be even a single wagon loaded.

Coming to the question, viz., where the food stuffs are: On the B., B. and C. I. Railway we have got some quantities of millets. The allotment of wagons on the B., B. and C. I. and the Bengal State Railway is 2 wagons a day. I approached the Regional Controller of Priorities in Lahore and he said that this was not in his jurisdiction but in the jurisdiction of the Regional Controller

of Priorities, Bombay. I wrote to the Regional Controller, Bombay. He informed me that this was done under the orders of the Regional Controller, Bengal. I wrote to the Regional Controller, Bengal, sending a copy each to the War Transport and the Food Department, and I have not received an answer so far. That is about millets. My purpose here is not to attack anybody but to place before this Conference the facts as they are. The main thing to which you may point is the slowness with which the agents bring stuff to the railway station. When the Honourable the Food Member came to Lahore we had undespached wheat to the extent of 40,000 tons. Out of that old stock, the undespached balance now is 15 to 18 thousand tons. So it is not that the agents are not offering—they may not be offering as speedily as we might expect them to, but they are doing it steadily as there are some difficulties: They have entered into bargains, prices went up and that also created certain difficulties. There are other minor points also but I will not take up your time to go into details at this stage.

The Hon'ble Sir Chhotu Ram: With regard to the food position in general, it has been very satisfactory so far. We hope it will continue to be satisfactory for the province itself. Whether it will continue to be satisfactory so far as our supplies to deficit provinces is concerned, I am not yet in a position to say anything. That will depend on two factors. One factor is the yield of our own kharif produce. Kharif this year has been very disappointing indeed. Excepting the rice crop, every other kharif crop has appreciably smaller area under it than last year. Under rice we have been able to place a good deal more area than last year. But unfortunately excepting four districts out of 29, the other 25 expect a much smaller yield than they had last year. Rainfall came late and so the sowings were smaller. There were long intervals between one rainfall and another with the result that the growth of crop was stunted and there was withering of crop towards the end. My own estimate based on my personal observations—it is not based on any definite figures—is that our yield this year will be in the neighbourhood of 60 or 70 per cent. of last year. What actually the yield will be is very difficult to predict. I hope my fears will not be realized but these are my fears.

Another factor which may possibly affect the attitude of the growers to part with their surplus will be the attitude of the Government of India itself. It is for the Government of India to adopt an attitude which will be helpful in bringing out surplus, and which will enable the Punjab Government and its representatives to persuade the people to bring out their stocks. But if they are in any way inclined to adopt the policy of price control, my fear is that wheat will disappear and every other grain which it is proposed to control in the matter of price will disappear too. That has been our experience in the past and that experience is bound to be repeated in the future. I am really sorry to find that the Food Committee has not learnt this lesson by past experience.

Now, as to the reactions of the Punjab in respect of the recommendations of the Foodgrains Policy Committee. We welcome most wholeheartedly the proposal to have both Central and Provincial reserves. We also welcome enthusiastically the proposal that foreign wheat should be imported into India. I am afraid we equally intensely abhor the proposal of rationing in surplus provinces or statutory price control in surplus provinces in any case. I cannot say anything about deficit provinces. Purely from a literary point of view, the report seems to be good—excellent report turned out by excellent people. But I must add that this is a report which does not strike one as a report which ought to come from practical-minded administrators. The committee itself seems to have been overweighted with doctrinaires and theorists. There was very little of administrative experience represented on this committee. Of course, as usual, agricultural interests went practically unrepresented. What will you think of a committee on which the Punjab growers is not represented at all. I am not taking into account at this moment the presence of Mr. Mangat Rai who is an I.C.S. officer. He may represent the administrative

point of view all right but he cannot be expected to represent fully the view point of the grower. I may add only one thing more. I am very very glad indeed to find that those on the committee who had any experience of administration and those who had any knowledge of business have differed from some of the most vital recommendations of this committee.

The Hon'ble Sir G. H. Hidayatullah (Sind) I believe in the principle of controlling the food prices. Not only that, but if we want to bring down the prices, the Government of India should simultaneously control the manufactured articles. Both of them go hand in hand. The complaint of the agriculturist is 'If you want to control my prices, you get me cheap cloth, my implements for ploughing and other manufactured things. We know very well that the prices of manufactured articles have gone up many times over. Therefore I would request the Government of India that they should control the prices of manufactured articles also.

Mino is a surplus province. We have from the beginning followed the policy of price control in order to keep down the prices and in spite of the Government of India telling us to withdraw the control, we continue the control and we are happy for it today. Unless there is control of price, procurement of stuff becomes difficult. We have been able to procure gram for export because of price control. How we do that, I will explain now. We only employ one agency—Syndicate—not five or six agencies. We eliminate competition. Only Government can export and our own agency buys. When there is the price control, the cultivator knows that he can get a maximum price and not more. If there is no control, then there is hoarding and black marketing. We follow it up by requisitioning. When we requisition, we have to give control prices. The difficulty in Bengal today is that if they requisition, the shopkeepers will come forward and say 'We have paid 50 rupees a maund and they will take the Bengal Government to the civil court and get the damages. We have started rationing. Rationing will also be effective provided we have price control. Therefore these three recommendations of the Food Committee, which we have already been following before these recommendations were made, I wholeheartedly support.

Now I come to the recommendation that we should empower the Central Government to fix a maximum price for all the food stuffs. Well, I am sorry I cannot agree with that recommendation that Government of India should fix the maximum price. Any maximum price that is fixed in provinces where Ministries are functioning, the hands of the Minister concerned in fixing that price will be forced. Otherwise the Ministry will at once go out. They will say that the wise and sagacious Government of India have fixed the maximum. Therefore you must fix that maximum also. Therefore, even if we give power to the Centre to fix a maximum, provinces will force their Ministers to fix that maximum and that will add to inflation. Now if you will look at the prices—Punjab Rs 10, the U P Rs 11 and the Sind controlled price Rs 7—you will realise that they will have to fix a price suitable to all. I do not know what the Honourable Member will do but he will have to placate all the provinces and that will be somewhere like Rs 12, 13 or 14 and Ministers will be obliged by the Legislative Councils to fix that maximum.

Now I approve of the policy of the Government of India importing wheat but I will request them to make a (good) gesture to the deficit provinces and pay the transport charges also, so that they will be able to give them cheap wheat. That will be a very good weapon in the hands of the Government of India. If any one of the surplus provinces who grows wheat does not control its prices, the Central Government should not make any purchases from that province. Those provinces that control their wheat should be patronised.

The Hon'ble Sir Chhatu Ram (Punjab) You have been patronised very generously!

The Hon'ble Sir G. H. Hidayatullah (Sind) I am not selfish. I am a fairly big zamindar possessing more than 2,000 acres. I want to serve India. My friend does not realise mine is a Council dominated by the zamindars. My

Cabinet is dominated by zamindars in the proportion of 4 out of 6. But we want to look to the welfare of the whole country. Now, Sir, I throw a challenge to my Honourable friend who has been a great source of trouble to my province. I understand that each maund of imported wheat will cost the Government of India about Rs. 7. Will my friend agree to controlled price—say even Rs. 8 or Rs. 9? I will agree to it to save the whole of India. Is it right for my Punjab friend to complain for something for which he is responsible? I would remind him that in 1933, both Sind and Punjab were selling wheat at Rs. 1-4-0. His complaint should be more on my side rather than on his. We have controlled our prices in order to keep down the price and my friends are merely going on at Rs. 10 to Rs. 12. The Sind cultivator says: 'Why deprive me of any benefit?' I console him and tell him that we are keeping down the price and that I will charge any other province who wants to buy from me at the same rate as the Punjab. If the Punjab fixes a lower price, we are prepared to give up that profiteering. I have had to satisfy my agriculturists. I have been telling them that we are building up a development fund for them and that it will be utilised for irrigation purposes which will ultimately benefit them. It is a people's fund and it will be used for their benefit. Now, if my honourable friend from the Punjab accepts my challenge, I will agree tomorrow to Rs. 8 or Rs. 9 or even Rs. 7 and give up profiteering in the interests of the country.

Sir, all our surpluses we have kept at your disposal. I need not repeat what you have been saying. But when we heard of the distress in Bengal, my honourable friend, the Minister, will admit that we have sent rice to them in addition to some of the surpluses which have already been placed at the disposal of the Government of India. We have also sent 1,000 tons of rice at controlled price to Bengal, and thereby we have made a gift to them of about Rs. 2,50,000. I am sure Bengal appreciates what we have done for them. We are here to co-operate with every part of India. The distress of Bengal is our distress. We are part and parcel of the same mother country. We must help each other and not be selfish. I, like my Ministers and the Ministers of the Punjab, and the big zamindars would like to have as much money as we can but we must think of the poor and the needy.

Mr. I. H. Tcunton (Bombay): Bombay was fortunate in that you were able to pay us a visit so recently—perhaps your last provincial visit before this Conference. I am sure that the contacts which you made must have given you a clear picture of the general position and of the feelings of public bodies and private individuals.

Of course our chief pre-occupation at all times in food operations in Bombay is to maintain the supplies to the big ration areas—Bombay City and the Suburbs. Poona was added to this about four months ago and there will be four other ration cities on the basis of the committee's recommendation that all cities with a population of over one lakh should be rationed. In spite of that it is Bombay City which claims our chief attention throughout the year. In order to keep Bombay supplied with the present scale of rationing it needs 25,000 tons of cereals every month and all the other cities proposed to be rationed need another 20,000 tons.

This pre-occupation becomes an acute anxiety at times when the supplies promised to us under the basic plan fail to materialise or come at irregular intervals. There have been occasions when we have been able to see only a few days ahead as regards stocks in Bombay City: and on one occasion—I think February last—we had to telegraph for paramount priority for some cereals from the Punjab in order to keep the ration going in Bombay City. The problem is made even more difficult by the fact that we have got one district in which famine has been declared, namely, Bijapur, and other areas in which there is scarcity and which need help. Of course Bijapur is a very long way from Bombay but it does react directly on the problem of Bombay City itself in the following way. For geographical reasons we have arranged that Bijapur should be victualled as far as possible from the Hyderabad

State which is on the border and a scheme was worked out for the supply of millets from the Nizam's dominions. Unfortunately those supplies were so irregular and intermittent that on some occasions we had to rush food supplies from Bombay City right down to the famine stricken area of Bijapur and that complicated the problem of keeping Bombay itself in stock.

I mention this point to emphasize that the regularity of supplies is almost as important as the quantum of supplies, and to stress that whatever quota is given to us under the revised basic plan it should be at all costs regularly sent and received.

The Conference may remember that by far the greatest quantity of grain consigned to the Bombay City is consumed by labour in the textile industry which is turning out three fourths of the cloth used in the whole of India, and looked at from that angle I think the whole of India has a direct interest in seeing that the textile industry and the labour which keeps it going is not allowed to starve.

As regards the present food position which we were asked to say a word or two about, the Conference does not want a string of figures, and in fact it is not possible to give any at this stage because everything depends on the present kharif harvest and also on the rabi harvest that has to come. The facts about the kharif harvest are not yet known clearly enough to give any figures relating to it, but I am able to say that the kharif rains have been good and there is reason to hope that the kharif harvest will be satisfactory. If by the kindness of Providence the rabi harvest comes up to the same standard, then we ought perhaps in the coming crop year not to be so dependent on outside sources so far as millets are concerned as we have been in the past, but according to the most optimistic forecasts and even calculating consumption on the most austere basis, it is expected that in the crop year beginning November, 1910, from next November until November 1911, we shall need about 300,000 tons of rice from outside sources and also 150,000 tons of wheat; i.e., there will be a deficit of 150,000 tons of cereals in the province. That figure happens to be almost exactly the quantity which is consumed in the two ration cities of Bombay and Poona. So that it means if we are able to get that quantity under the basic plan, the other ration cities and the deficit areas which I mentioned just now will have to be provided by whatever surpluses we are able to obtain ourselves within the province from those districts which have any gain to spare and under the procurement plan which we have now worked out and are shortly starting.

As regards the Report, our reaction was generally one of acceptance. In fact a great many of the recommendations have been already enforced in Bombay. You asked us not to refer in detail to the paragraphs which will be discussed later on in the agenda so I am not saying anything about price control, like some Honourable Ministers have done because I presume we shall have a chance of giving our opinion later when that subject comes up. But I would like to say that in the opinion of the Bombay Government the most important chapter in this Report is the last—Chapter 12 and the recommendation in it which is No. 91 in the Summary, where stress is laid on the necessity for a strong central control and provision for arbitration in the case of differences between the Centre and the Provinces. We think that that is the most important recommendation upon which all the rest hinges and we should have been glad if the Committee had been able to lay greater emphasis on it than they have. Subject to that one remark I can say that the general reaction was that we welcomed the Report and have already given effect to several of its recommendations.

Mr. R. H. Hutton (C. P.) In the United Provinces, we are a slightly surplus province. We have got 60,000 tons of wheat surplus and a very considerable deficit in rice. We are getting on very well, with our present plan which has been forced upon us by practical experience. What we are doing is this.

We are rationing or rather feeding from Government-controlled shops approximately 40 per cent. of the population in all our large towns; and that comes to 64 towns. With them we are feeding all the labour in the mills and railways and low-paid government servants, (whoever wish to take our food). We are building up stocks to enable us to be certain of doing this and also enable us by commercial operations to lead market prices downwards.

We are obtaining for export to deficit provinces the maximum possible amount of food grains that we can possibly get without letting our own population starve. We are subsidising grain for the poor and the price reduction drive, by averaging on commodities such as gur and oilseeds without raising prices anywhere else. We have no intention whatever of taking any profit out of that for any other activities of government, except to average our food supplies and to bring down prices. We are eliminating all large scale competitive buying and we have gone a long way with that.

As to distribution, we have got our government-controlled shops not only in the great cities of Cawnpore, Benares, Allahabad, Agra and Lucknow and the other seven or eight towns with over a lakh of population, but also in some 64 towns in all, all over the province. Ration cards covering between 1½ millions and 2 millions of people have been issued and the queue has been killed. In Cawnpore where the estimated population is now about 7,50,000, we are feeding nearly 75 per cent. of the population, including mill and railway population, and this has been arranged with the full co-operation of the mills and railways.

In other towns the figures vary from this maximum of 75 per cent. down to probably 40 per cent. in the smaller country towns, where there is no industrial population.

Our officers are all in position and our civil defence services have been transmuted into food wardens who will form a natural link with public feeling.

We feel strongly on the maintenance of public contacts and are forming an advisory food council at the headquarters of the province, and advisory committees in every large town. Our officers have been told that they must make these committees real and encourage them to ask questions and understand what is being done.

This principle applies not only to distribution but also to procurement and many small committees of the trade are already advising our officers in the assembling markets.

We hope by these means not only to avoid or cure mistakes, but to get a body of public opinion interpreting our actions and objects correctly to the general population of the towns, and raising in their turn some public support for our efforts and some disapprobation of those who attempt to sabotage or misuse them.

On Procurement, we have had our five Regional Food Controllers in position since the end of last March with a staff consisting of 10 Deputy Regional Food Controllers, 12 Marketing Officers, 431 Marketing Inspectors, 10 transport officers, 10 accounts officers and subordinate accounting and clerical staff.

The stock position is good. We own some 70 lakh maunds, or 250,000 tons of foodgrains—enough to feed the whole of our 64 towns for over two months and to carry on our own scheme of modified rationing for about five months. In these stocks are included some 50,000 tons that we are intending to export to deficit areas in addition to the amounts we have already exported. We have been and still are in the market to lose, and by placing stocks on sale at slightly below market rates we appear at present to be getting the trade to compete and come down in price with us. Until a month ago, our main object was to stop the continued rise of prices, and the target fixed was to keep them no higher than they were in July until next May. But to our relief, and somewhat to our cost, this object seems for the present to have been exceeded and a distinct downward trend to have started. We are encouraging this downward trend by all the means in our power, and in addition to keeping our selling

price just below that of the open market, we have fixed a downward programme of ceiling buying prices and there are indications that the market is following us down there too, and that falling prices may be effective in drawing out supplies. Competition by the open market has kept the offtake from our shops very much below what was expected and we have thus got the trade feeling its share and something more, of the population, at our falling rates. We hope this will continue. It may be that fairly steep reduction of ceiling prices will for a time reduce our buying ability, but if, as we have some hopes, the opposite is the case and full rationing is not instituted, we may have substantially increased amounts to offer for export.

Our exports are well up to programme. We have already sent out 97,000 tons of food grains against a normal net export of about 60,000 tons, with a deficit in rice, and we are hoping by Christmas to have increased this figure to about 135,000 tons.

As to our reactions in general to the Report, our first general reaction is one of gratitude and appreciation for the work that has been done. We feel that a great step forward has been taken and that the subject has now been brought to a position in which it can be viewed by everyone as a whole, for the whole of India. It is obvious that a team spirit is being evolved and we are only too glad to co-operate in every way we possibly can in that team spirit. The provinces need the co-ordination of the centre and the centre needs the help of the provinces. I feel no doubt that both will be freely given.

With the main principles of the Report—namely, the building up of stocks, import and the establishment of a central reserve, maximum procurement for deficit areas without producing starvation in the surplus ones, the avoidance of any policy of making profit for other activities of government on the whole transactions, the need of stimulating the supply of consumer's goods and, if this becomes possible, of metal currency or precious metals into the country, and a vigorous grow more food campaign, we agree entirely.

With the large number of minor recommendations, such as uniformity of forms and procedure and language, we agree also. But in the middle region, of wholesale rationing of towns in the surplus areas, of statutory control of prices, and of profit taking in detail in order to average out commitments within our total scheme, we have ideas of our own which we will explain when they are discussed in detail. Wholesale rationing in surplus areas we shall oppose. We feel that our own scheme is working so well that it is producing and will produce a greater off-take for Bengal than would any attempt at wholesale rationing in the producing areas.

We believe in keeping the grain trade functioning and we believe that the line we are taking brings in hundreds of thousands of people who are expert in the grain trade to help us. They are controlled by virtue of movement controls and licensing and by virtue of the very large stocks which we hope to be able to use and are using, to lead the trade rather than follow it.

The U P Government has been brought to these opinions by bitter experience. Last April we made an attempt to control prices and to force the grain into the towns at controlled prices without having stocks of our own, and the result of the experiment—it was really more than an experiment—was that the grain just went underground in the villages, as rice went in more recent times in Bengal, we do feel that more can be done by the possession of stocks and movement control which comes in to lead the market without the shock of legislation which would drive stocks underground. We do feel that this is a method which is succeeding with us at present and which we should be allowed to carry to further success if we can.

As to enforcement and an enforcement staff of touring officers, we can talk about that when we come to it but we feel that it will depend very largely on the officers who are chosen. We always welcome officers who come to persuade by reason and argument and rather than to hector by dogma. We do feel that the control of the situation can be well achieved by this means of consultation; and although it may be necessary for the Government of India to take a leading

apprehend any adverse public opinion or any inconvenience due to the introduction of rationing. We do not mind hundred per cent all in rationing. I think that is an excellent move which the Government of India have already taken steps to implement and we are whole heartedly for it.

As regards price, we think that it will be wrong to dogmatise about prices. It will be as wrong to say that there should be no statutory price control as it would be to say that there should be such control. Conditions differ in different parts of India and price control may be necessary in one part although it may not be in another. Before free trade came in our province we had no statutory price control but still by controlling movements and by what we regard as a rigorous enforcement of the Food Grains Control Order we kept prices very low indeed as a matter of fact our prices were lowest in the eastern region. Having regard to conditions in our province I do not think that statutory price control is necessary but as I have said we have no dogmatic views about it if we feel later on that it is necessary we shall adopt it. In this connection I may say that during free trade prices in most districts had gone very high and the highest price was Rs 31 a maund in one of our districts. After discussion in the regional food council it was decided that we should have a descending scale of prices for the next three months in order to bring the chaotic price condition into order. We have at present a system of statutory price control in Orissa on the same lines as in Bengal, Assam and Bihar. We only differ in this respect that we do not have one price for the whole province. Conditions differ from district to district and we must fix price for each district separately. We are proceeding on the assumption that when the new harvest comes in it will be unnecessary to have any statutory price control. As a matter of fact with the influx of harvest and stabilisation of the market and with more or less complete control over purchases and stocks statutory price control would be unnecessary. We agree with what has been said by the U P against price control from the centre. We think that if any attempt is made to regulate prices from the centre we shall be thrown into a most awful muddle. The best thing would be to have co-ordination of prices on regional basis and that has already been started in the Eastern Region.

We cannot understand and we want to object strongly to one of the recommendations of the committee—that the centre should have the right to regulate prices both ways. We cannot understand why the centre should raise the prices in any particular province. *Even the arguments used by the Committee do not support that proposition.* From our experience of conditions in Orissa and of the psychology of the cultivator we can say that as soon as the centre offers a higher price there will be a crop of rumours and word will go round from one agriculturist to another that prices are rising. We cannot then expect a single grain in any market with the result that the whole of the procurement machinery will fall. It seems to us that that is a prejudicial recommendation. Our Government feels that price control should not be done by the centre it should be left to the provinces. Of course there should be regional co-ordination and there should be a periodical review by the Central Government from time to time. Another disadvantage of the centre raising the prices in a particular province with a view to secure stocks for a particularly needy area would be as has been pointed out by the note of dissent of Mr Kamath, the centre would have a moral responsibility of subsidising sales in a province in which it chose to raise the price.

As regards administrative arrangements our Government offers the most willing co-operation in the execution of any agreed plan for the solution of the problem that may be arrived at at this Conference. But we feel that the relationship of the centre with the provinces and the States should be not that of a dictator but that of a leader. The centre should act as the captain of a team. It is a most delicate relationship and there is danger that if the centre deals roughly with the provinces and interferes too much in what they regard as their proper functions even local opinion may be prejudiced. And we know from our experience during the free trade period what a tremendous effect public opinion

has on procurement. During the free-trade period there was a wave of indignation, in every village there was propaganda, the village committees asking the cultivators not to part with their produce. We do not want to be faced with that position again, because once the entire producing population goes against any plan or is prejudiced it is very difficult indeed to tackle the problem. Therefore I have been authorised to say that we do not accept the recommendation that in matters of detail the centre should interfere with the provinces. The centre should of course approve of any plan that provinces may introduce, but if it is going to interfere in details of day to day administration we have misgivings as to the results.

As regards the basic plan and other recommendations of the Committee, I will have something to say later on when those specific questions come up. *Sir Geoffrey Burton (C. P.)* I have made a few notes and hope that I will be able to deal with the issues raised in the 15 minutes that have been prescribed. Our procurement methods to meet our quota under the Basic Plan and our policy for the control of prices and of supplies have been described in the statement made and the memorandum given by our Secretary, Mr. Kamath, to the Long term policy committee. I do not know whether the statements made and the depositions given by other Provincial representatives before that committee have yet been printed. I have not seen them but I hope I shall get them in due course.

In the process of examination, one or two questions were put to Mr. Kamath and it may be convenient to mention them here and bring the information up to date on points which were raised before the committee. The first question relates to the results of the GROW MORE FOOD DRIVE. The drive was chiefly aimed at the production of more food crops. The actual production of course depends upon the season and the monsoon weather more than anything else. We had great success in the matter of reducing the area under cotton, especially short staple cotton. This will, I am sure, be good news to the Imperial Council of Agricultural Research. We have been at it altogether for two years and we have reduced the area by over $7\frac{1}{2}$ lakhs acres. Most of this has gone under the larger millet, juar, though groundnut has also benefited. In fact the total increase in the area under juar in the two years amounts to nearly a million acres. For this result, we have to thank the Government of India, in the Department of Education, Health and Lands who have given us a subsidy of about 16 lakhs. With this help we gave a subsidy of two rupees an acre to the cultivator for each acre of cotton he diverted to growing food crops. That made our efforts successful and that is largely responsible for the figures just given. I think we can claim a genuine success in this effort.

In rice, which is our main crop, and in which all of us are interested, we have had an increase in the forecast for this season of over one lakh acres. It is a small but satisfactory figure, in view of the fact that there is an already fully developed rice area of which some 8 lakhs acres are irrigated. In this way, food crops have gained well over one million acres in the two years in which the drive has lasted. The position regarding our rabi was of course dependent on last year's monsoon, and I am afraid that was not satisfactory, owing to the failure of the late rainfall. In fact, the area under wheat was the lowest in the last ten years. For the present season, I am glad to say that the outlook is very much better and all the available rabi land shall be sown but future prospects will depend entirely on the cold weather showers and the absence of rust and frost. As regards the kharif crops, we expect an outturn as good as that of last year in the case of rice and that outturn was the record for our province. In respect of juar, we shall have the largest area on record and with favourable prospects, we expect a large increase of gross produce, which may be of the order of two lakhs of tons. I think Sir Ramaswami Mudaliar will remember the discussion we used to have in our earlier meetings about the reduction of the area under short staple cotton. But the question now is, will all this juar sell and whether we shall get a fair price for it. The other millets are also good. Anyhow we have done all that we have been asked to do; for that too we may fairly claim credit for our efforts.

Another point was what part of the marketable surplus of the rice in the C P has come into our hands. Whatever marketable surplus is meant to mean the statistical surplus for the whole province was estimated at 8½ lakhs tons. Of this nearly two lakhs tons had been dealt with up to the 30th September 1943 by our own officers and their agents on our behalf. With this large percentage of the marketed surplus in our hands we were in a position by our monopoly buying to control supplies and to keep the purchase price at a reasonable level. As regards the rice that was passed on to our own selling agencies of the trade the price was fixed in harmony with the original cost. It has always been one of our pet theories that you can only fix prices if you have got supplies in your hands and you should fix the price having regard to what you have had to pay for them. This I am glad to say we have been able to carry out and I think we have been successful in this also. The rice that did not pass through our hands fetched a substantially higher price in areas in which no special arrangements were made for supply and in which the supply was not limited to our own controlled supplies. In fact our experience confirms us in our view that without control of supply it is not possible to maintain prices whether they have been fixed by statutory powers or not.

I shall now say a few words in regard to the procurement for export. Rice is our main staple crop. We were expected to provide an export quota under the Basic Plan of 3 lakhs. It was reduced substantially under the revised Basic Plan. We have by now sent out of the Province about 85 thousand tons. We have undertaken to fulfil further obligations to the extent of 25 thousand tons more. And we have increased that by accepting a supplementary quota of 15 thousand which we have actually made available. We hope to double that by the end of November. By the end of the year i.e. 31st December I think we should achieve our original target of 2 lakhs of tons. In addition to that we have procured another 66 thousand tons and supplied it to our own rice consuming but not rice growing districts. With regard to jute we shall probably be able to work up to our revised quota of half a lakh tons before the end of December. Something similar is the position with regard to gram. Although not surplus in gram we were saddled with an export quota of 30 thousand tons we have not offered 5 thousand tons and we may be able to increase on that. The other and a dark side of the shield is wheat in which we have been definitely deficit for two years. We have not received anything like our import quota of 80 thousand tons—certainly not more than 25 000 tons. We shall need about 15 000 tons more than is at present promised. But we hope if all goes well to be able to forgo something like 30 000 tons of our original import quota. We shall re-examine our position after the wheat pits have been opened up and seed distributed after Diwali. In the meantime our procurement machinery is in full operation and it is following up the pre-monsoon drive from village to village. We expect to keep up this drive until the new crop comes into the market towards the end of December. We shall then be able to go back to the ordinary process of buying everything that comes in and encouraging everybody to bring their stuff in. I think it will be clear from what I have said that in the C P we have not been backward in getting hold of and making our surplus available for deficit areas and defence requirements. We have done this in spite of our not having received similar assistance in the matter of wheat in which we have had a shortage during the last two years. Our wheat supplies have come in in dribblets. They have been quite inadequate and undefendable. If we do not get in our wheat requirements we may not be able to export our full quota of rice.

As regards the recommendations of the Policy Committee I am authorised to say that they are generally acceptable to the Provincial Government. In matters of detail we may have a good deal to say later on the course of the detailed discussions. We have always accepted the principle of the basic plan. We have indeed applied it to our own provincial economy in which we have sought to make good the wants of our deficit and consuming areas from the most convenient sources in our supply areas. From the first we accepted the principle of

the Basic plan. Our differences with the Food Department were confined to matters of calculation of surpluses and the quantum of surpluses available. There must always be some differences of opinion on matters which depend a good deal on estimating.

On the question of procurement, we feel that it is so important that it really comes first in logical order and it is only after the decision of what you are prepared to do in the way of procurement that you can make up your mind as to how you are going to work out the basic plan. As I said before, we have made fully what our methods have been and we shall look forward to knowing in very much greater details through the statements furnished by the provinces than other Provincial and State Administrations have been doing and are going to do about it. We learn a lot from one another. The word 'procurement' has always given a certain amount of trouble to us. If you look at the ordinary dictionary meaning, apart from a rather sinister meaning, it means 'acquire by care or special effort'. That is an entirely different definition from the one of the word 'purchase' and yet if you read the report in the Committee of Mr. Karmath you would imagine that nothing has been done by Government except to get the grain and sell it. I think 'procurement' wants a good deal of careful thinking out and its meaning defining. At present it is a convenient price of Departmental jargon. Another point is the acquisition of reserves. We are very glad to see that the idea of both an All-India Central Reserve and a Provincial Reserve has now become acceptable. We adopted the idea some 9 months ago. It had the cold shower turned upon it at the beginning when the reserves were started and we formed an estimate of 1 lakh tons; our actual reserve did not reach more than half of this figure. There, again, I can say straightaway that if we had not been able to put our reserves together just before the monsoon began this year, we should not have been able to give any extra supplies for export to Bengal and elsewhere after the end of hot weather. We should have been in a very tight corner. In fact, we should not have been able to supply our essential services which Government of India have rightly insisted as our own responsibility and last but not least we should not have been able to supply our own consuming areas. So, we naturally welcome the recommendation. I may explain that ours was entirely a hard reserve. I do not think I have ever had more than 35 to 40 thousand tons of the reserve in our account. Without this we could not have been able to carry on as we had been doing to meet our export quota.

Then, we come naturally to distribution and the question of rationing on which the Committee were so strong and I take it the Government of India had such strong views that it was decided to take preliminary action to put it into practice at once before we had even seen the report. I referred primarily to the suggestion that urban areas of a hundred thousand population and above should be brought immediately under rationing. We have never got as far as that. We have been rationing after a fashion or rather provisioning as it were from a ration stand for about a year and a half with very different experiences in different areas. We were driven to this because we felt that if you have the food in your hands as we had, it is incumbent on us to arrange for its distribution through our own agency. So, we began in our capital town with about 10 or 12 centres supplied and managed by Government agency and then now from far of a wider rationing or scheme provisioning that covers the entire population. Finally, it has been developed into card ration system but its job is really to supply at a fixed price those elements in the population who otherwise would have difficulty in obtaining supplies. It places no restriction on the supplies which others can obtain or have with them. My Government is rather impressed by the difficulty of making rationing really cent per cent effective in the isolated large towns in the midst of a vast agricultural area as we have in the C. P. In fact, we have only two towns of 1 lakh population and over, one is Nagpur and the other is Jabalpur, which is a most abnormal place at present on account of various military and defence requirements and establishments. The position of these two places is that they are small urban areas surrounded by

huge agricultural areas. We are very sceptical, in fact we cannot say exactly, how you can secure any large improvement by passing over from the present arrangement of Government agency of supply to outright individual card rationing. On that, I am sure Mr. Kirby who has done so much for the question of rationing, will be able to give us a lot of valuable advice and we should be only too glad to show him what sort of problem Jubbulpur presents or indeed any large urban area which is in the middle of an agricultural country. Both round Nagpur and Jubbulpur crops are standing in fields not more than a mile from the centre of the town.

On the question of the fixation of statutory prices I have been asked to raise a caveat on behalf of the Provincial Government. We are considering the opinion that is before us as to whether the fixation of a statutory price is either desirable or practicable. We should like very much to know how it is proposed to do it and what sort of prices will result. We feel and the feeling has been expressed by me more than once in this room, that it is only fair and reasonable that the cultivator should receive a just, if not liberal, return for his produce, at these times having regard to his misfortunes in the past period of depression. I do not remember whether anyone in these days even suggested a minimum price for wheat or any other cultivator's product.

The Hon'ble Sir A. R. Mudaliar: For wheat certainly. What about the wheat duty?

Sir G. Burton: I accept the correction. But I do not think, that was ever accepted as sufficient. At the same time we do feel that the interests of the consumer must be safeguarded. The only way to arrive at a fair way of settling the matter is by striking a mean between the claims of the cultivator-producer and the resources of the consumer class as a whole. We attach and we have always attached great importance to what other Provincial representatives have said this morning, namely that the cultivator should be provided with his requirements of living and cultivation and that he must have them at a reasonable price. In fact we raised this matter a year ago in Conference. Our price policy so far has been more one of fixing what is called ceiling prices in respect of the foodgrains that we have procured. As I explained just now, we have passed on the benefits of the ceiling prices in the form of cheap grain both to our own consuming areas and also to other provinces particularly Bombay and later to Bengal, as well as to deficit States, particularly Travancore and Cochin. I should like to emphasise here that we have charged nothing in the nature of a surcharge. But I should like to say that we feel that our suggestion to the Food Department that we should be allowed to charge a surcharge on our cheap rice in order to enable us to subsidise the supply of most expensive wheat from the Punjab and the U. P. is not unreasonable. The F. O. R. destination price comes to about Rs. 4 higher than the price of our rice. We do feel that we had just as good a case for that surcharge as if we had said that we were going to collect a development fund or anything of that kind. In fact, we think that such an equalisation of price fund is far better. To sum up, we feel that the whole question of the efficacy of price control depends, as we said just now, on the extent to which we can secure supplies and the proportion which these supplies represent of the total surplus. It has been an axiom now and we shall be very glad to see it followed when we get down really to the fixation of prices. We agree that with all the unavoidable restrictions which now obtain with regard to ordinary business and the movement of everything, whether it is in the way of provision of transport or the right of movement generally, it is the duty of Government to make supplies available to the public in reasonable quantity where and when these are required, and that all the means at Government's disposal, whether by way of control of trade, by way of licences or by control of movement and of all means of public transport, should be utilised to the full. We feel that if that is done, we shall pretty well have all the means of controlling prices. Our experience of statutory prices was that the moment I seriously attempted to fix the price of wheat in May, two years ago, all the wheat disappeared from our markets and it has taken a good deal of finding since then. It may be that I

1. The first part of the document is a list of names and addresses, which appears to be a directory or a list of subscribers. The names are written in a cursive script, and the addresses are listed below them.

The following is a list of the names of the persons who have been appointed to the various positions of the Board of Directors of the City of New York, for the year 1900:

[illegible][illegible]

urban areas, and where there is a deficit district I do not see that there is any thing to be gained by trying to ration the towns in that district. Such a step seems calculated to accentuate the hardships and difficulties in the surrounding areas and probably to draw the necessitous from the villages to the rationed towns. Some arrangements have got to be made, whether by control of imports into that area or by other means, to provide for the people of the whole of the district. It seems to me personally that if such arrangements have to be introduced, they can equally well be applied to towns in the deficit districts as to the surrounding rural areas. We shall however be prepared to follow whatever is the considered decision of the conference and of the Central Government on this point.

Turning to price control we are entirely agreed as to the necessity for such control—at least so far as the eastern region is concerned. It appears to me that the committee has omitted to mention the strongest argument in favour of such control which is simply to prevent starvation of the people who can no longer afford to buy food at prices which are too high. We entirely agree with the committee that a rise in prices does not operate to bring out supplies but in the opposite manner. In fact we have for the last six months been trying to impress that fact upon the Food Department—without much success! I regard the reduction of prices in the eastern region from their present abnormal levels as absolutely essential to the successful control of supplies and it was with this aim in view that at the last Conference we proposed a scheme for forcing down the prices in the eastern regions which was accepted by the sub-committee of the Conference and has been accepted by the provinces concerned and by the Regional Food Council. That scheme was brought into force in Behar on the 20th September and has every sign of being remarkably successful. Since that date we have already been able to bring down the price of rice from about Rs 26 and Rs 30 to Rs 15 and Rs 17. As we anticipated this fall has brought out stocks to a marked degree. Best of all there is a marked change in market feeling. Whereas before every one was anxious to buy and nobody to sell now people are only buying their immediate requirements for consumption the stock holders show a very marked desire to get rid of their stocks before prices go down still lower. That of course was what we were aiming at. It is a very remarkable thing that this has happened at the very time of the year when our stocks are normally at their lowest and in a year when owing to the very great reduction in carry over during the free trade period we should expect the normal difficulty to be greatly accentuated. We have reasonable hope if no unforeseen setback occurs to reach our target figure of Rs 10 by the next harvest. The same system has been or is being introduced in Bengal Orissa and Assam but of course I cannot say with what result.

I should like to make a few remarks if I may on what I regard as a matter of supreme importance viz the psychological factor in the food problem. The committee have referred to this factor but I am not sure that it has given it sufficient prominence. It is not only the press and the public who must be on their guard but no less the departments and the officials of Government in this respect. The harm not limited to the derangement of stocks and its psychological results—present food situation in the country. Only the other day at a time when we were engaged in the most delicate and difficult operation of bringing a downward trend in prices it was stated in the press Sir that the scheme in Bengal had failed. I leave it to you Sir to estimate the harm that may have been caused to us and to other provinces by an irresponsible remark of that kind made at the most critical period of the operation. In the face of history of the last four years we find it difficult to accept the suggestion of the committee that the Centre should act as the thinking machine for the Administrations and as their guide and adviser or to agree to the proposal that it should exercise detailed control over price changes. We are all in the same boat and we are all sailing in uncharted seas and we need all the mutual help and co-operation that we can possibly get. But you know Sir what

happens when the blind try to lead the blind. Let the Centre make the fullest possible use of the advice and the experience of the provinces and Administrations and let it in its turn advise to the best of its ability the provinces, but let us hear no more of "directions" and central control. I feel, Sir, that it is by mutual co-operation throughout India and by mutual help and advice and not by "directions" that we shall achieve success on the food front.

(After Lunch.)

The Hon'ble Mr. H. S. Suhrawardy (Bengal): I would like to preface whatever I wish to say on this subject with my thanks to the representatives of the provinces who have spoken before me for the current of sympathy for the sufferers of Bengal which underlay their remarks. At the same time it is true that their words were not entirely free from doubts and suspicions, and, if I may, I would even use the word which I thought was confined to political circles—namely the "bottomless pit"—as expressive of doubts regarding the destination of the foodgrains which the provinces was sending to Bengal. At the same time I feel that I am in as difficult a position as my unhappy province. I have to accept without demur whatever may be sent by my neighbours, their appreciation of their own situation, their inability to send foodgrains to us lying surplus within their border. I must be grateful to the Government of India, and to the far-distant provinces like the Punjab and Sind who have been very kind to Bengal. I wish to be on good terms with the Transport Department and the Military Department and even, Sir, with the Railway officials and Station Masters on whose goodwill and generosity the transport to Bengal depends. And it is probable that on these accounts many remarks will have to remain unuttered but I shall attempt to clear some of the misunderstanding regarding the Bengal position. Before I do that I want to say a few words regarding the present crop and our present situation to which reference has been made in the covering letter.

The present indications of the crop are hopeful although so far as Bengal is concerned, one can only hope for the best. It was just at about this period that last year we had a most devastating cyclone and tidal waves which attacked the best portions of Bengal—those that provide the surplus crop for the deficit areas of Hoogly and Howrah and for the large consuming area of Calcutta. Then, Sir, we are also greatly dependent on the October rains and if by some mischance we do not get the rains this month, then again this may have a very serious effect on the outturn and on possibility of the crop being attacked by pests. We have tried to calculate our possible deficit for next year and taking it from our crop—as the *aus* crop is difficult to estimate on account of its uncertainty we are including the present *aus* crops in our estimate and excluding the *aus* crop of 1944—we think that if we could have 8 lakh tons of foodgrains we may be able to meet the situation next year. But when giving this figure there are certain very important factors which have been left out of consideration and which must be taken into account. These happen to be undetermined factors, but their effect is very actual. These factors will certainly increase our deficit and I would like to place them before you for your consideration. First is that the presence of the army in our midst has been a factor of which very little note appears to have been taken either by the Government of India or by the other provinces who cannot understand why we are passing through such difficult times. Though the army may not take cereals from the land it sweeps all round it all the other available foodstuffs which went normally to feed the population—milk, eggs, vegetables, meat, fruits, all these are swept away and the people are deprived of these commodities. Therefore, it is not merely a question of working the deficit in cereals according to rice statistics which will solve our problem. Another point that seems to have been overlooked is that we also import considerable quantities of dalls, pulses, gram, mustard oil, mustard seeds, butter, ghee. All these have practically been stopped—and we have not been able to get them from the various provinces anywhere near the usual quotas which used to be imported into Bengal owing to the restrictions placed by the provinces. This

Lastly, of course, the famine through which we are going has led to two other results. In the first place the new crop as soon as it will be put on the market will begin to be eaten. This phenomenon is a precursor of all famines and also follows all famines. Consequently our stock will have to last not for twelve months but for 13½ months. Therefore the deficit will be still greater. Secondly the cultivator has received such a rude shock, particularly the smaller cultivator who usually gets rid of his stocks in the beginning of his season, that he is not likely to part with his stock but will hold on to it as much as he can. Therefore there will be less stock in circulation. All this demands, Sir, that we should have a considerable amount of stocks in order that we may be able to meet the situation.

The present food position is as every body knows somewhat unfortunate. In the distress areas people are starving and the tempo of starvation is growing almost in geometrical progression as the stock that had remained in the hands of some of the cultivators is getting exhausted and the new harvest approaches. Therefore it is all the more necessary to send foodgrains to these localities in increasing quantities as quickly as possible. Now I have seen unfortunate controversies in the papers or attempts being made by shall I say frankly starting from the Department of India the Transport Department and the Provincial Administration to exonerate themselves and to place the responsibility upon the Provincial Administration and particularly upon the Provincial Administration in Bengal. You may have seen Sir that in spite of these attacks I have not issued one statement in my defence, and I have not pointed out at all whose responsibility it was that this was not foreshadowed in the beginning and that no arrangements were made to import from abroad whose responsibility it was that the foodgrains were not sent when I needed them :— in the month of June whose responsibility it was that the foodgrains when they have arrived cannot be distributed to the various centres. I have been receiving considerable quantities of foodgrains within the last month without any previous warning and I have to make preparations for unloading, stocking and sending out these foodgrains to the distress province in East Bengal and back again to some of the provinces in the western area without interfering with military movements. I do not think Honourable Members realise the difficulties of Bengal. They ask me 'What

is happening to all these foodgrains? Why don't you send them out immediately? There are lots of difficulties in Bengal, which is supposed to be the jumping off base for an offensive.

Now, Sir, I wish, if I may presume, to suggest that all controversies on the score of responsibility might end. In my defence I shall place certain figures before the public to show the distribution of the foodgrains that we have received—certain factual statements—but I shall avoid as much as possible any controversy, and I will leave it to the future judgment of the public to judge, should they still be interested, who is or was responsible, and to what extent the present Provincial Government can be held chargeable for what has or is taking place.

It is a matter, I will say frankly, of the greatest regret to me that the foodgrains coming in now were not received by us three months back. May I just in passing, before I refer to the Report itself, make a reference to the bottomless pit. I have been trying to work out certain figures supplied to me by my department, and which in all probability I would have placed before the public during the last food debate. But obviously if anyone knows the political atmosphere in Bengal, he will realise that it is impossible to say anything factual in that Assembly as one is likely to be interrupted at every single statement one may make.

I have here before me the figures for rice, paddy, wheat, millet and pulses which I have received from the various provinces both under the basic plan as well as what private parties have received during the free trade period, and after deducting what we have sent to the various districts—because we have sent considerable amounts of rice (about 6½ lakhs of maunds), of paddy and or wheat and wheat products and millet—I find that the amount remaining in Calcutta for a period of nine months (an amount which remains to be accounted for) is rice 75,000 tons, paddy 4,000 tons and wheat 128,000 tons. I wish honourable gentlemen to realise that according to my estimate, which is a very conservative estimate, the consumption of Calcutta alone is 56,000 tons a month. It is something which Honourable Members do not realise at all. If one remembers that the figure given by Bombay with its population of 20 lakhs that they require 25,000 tons of cereals every month, Calcutta with its surrounding municipalities and industries with a population which is certainly not less than four million and which is now being computed as 4,200,000 needs nothing less than 56,000 tons, computed most conservatively. People say: What has happened to all these foodgrains? Is it purely by chance that there have been no strikes or riots in Calcutta: purely by chance that all these people round about have been fed and the industries, particularly the war industries, have been kept going? Is it purely by chance that the people in Calcutta are not starving. It is the outsiders from all the various stricken districts that have seeped into Calcutta and found their deaths on the pavements of Calcutta through exposure, malnutrition and starvation. And yet people talk of bottomless pits, which are really, if I may say so, the offspring not of any calculations but of politics.

We have had, as you can see from these figures to scour the countryside in order to feed Calcutta. The imports which we have received from outside have not been sufficient even for that purpose, and we have had therefore to draw upon our scarcity resources!

Sir, a statement has been made by the Honourable the Premier of Assam, that he has been informed that the price in Chittagong is somewhere like Rs. 80; that the price control in Bengal has failed and how can he therefore lower his prices.

The Hon'ble Sir Mohd. Saadulla (Assam): Sir, I did not state what Mr. Subramanyam wants to father on me. What I stated was that human nature being what it is, one cannot expect our cultivators to sell at Rs. 25 per maund in Assam, when in the black markets of neighbouring Bengal districts the price obtainable is Rs. 80.

The Hon ble Mr H S Suhrawardy (Bengal) The position is that I introduced price control in a scarcity province knowing fully well that I had not the supplies to support it but that there were certain supplies in the other namely our aus crop I knew the difficulties of the price control and I am now a firm believer in it because I find that in spite of these difficulties I have kept prices down It may be that in some scarcity areas to which I have not been able to send supplies the price may have risen but I have to consider the whole of Bengal In that place in any event prices would have risen As soon as free trade was abandoned as soon as chances of grain coming in from outside through traders disappeared prices began to rise so steeply that they would have certainly risen from Rs 20 to Rs 80 if prices had not been controlled The other day a gentleman saw me in Calcutta and asked me if I could supply rice to his relief organisation I suggested that he might buy the rice himself and make an effort to do so And he told me definitely "If you give me permission to purchase at Rs 25 I can lay hand on blackmarket rice as much as you like If my controlled price is 22 rupees and the black market price is Rs 25 I think we have done well in a province where the supplies are so short and where the next crop is still a long distance away

Looking through this Report there were two points that struck me—one was that although a certain machinery has been visualised for disputes regarding the basic plan through an expert arbitration committee and for disputes regarding prices by setting up a standing committee on prices so far as disputes regarding procurement are concerned there is nothing more than a statement that we shall insist on remedial measures Even you Sir in the opening speech at the conference although your speech has got a certain minimatory tendency you have not been able to say more than that you will increase your degree of superintendence and control and use certain power which the Government of India possess Being a deficit province I am most anxious that the procurement policy should succeed and that the promises of the various provinces in terms of the basic plan should be implemented Without referring to any particular province if one province comes and declares voluntarily knowing fully well what have been the effects of free trade on its supplies that it will give us 7500 tons of rice and thereafter goes back on it on the ground that free trade has taken away as much—one has got to think very seriously what steps can be taken under these circumstances Surely it is a matter of goodwill I recognise that It is a matter of neighbourly relations it will not be possible for the Government of India to enforce its policy down the throat of an unwilling provincial government which is in the happy position of being a surplus province A deficit province yes you can do anything you like with it It is a mistake to be poor it is a mistake for a province to be a deficit province it is a crime for which it ought to be punished But a surplus province—you dare not punish it whatever it may do I know of an instance where a district magistrate has defied his Governor When a Governor told a district magistrate that such and such stock purchased under free trade should be allowed to be shifted under the orders of the Government of India that district magistrate defied the Governor and said I am responsible for feeding my people and I will not allow the food to be taken away I am of opinion I cannot spare it Under such circumstances I should be interested to know what the Government of India can do

Much has been said against free trade I do not want to raise that controversy here once more because I take it the contrary is the accepted policy I am in the unhappy position of being a deficit province The other provinces will not have anything to do with free trade as they would like to enforce their own appreciation of their surpluses and would like to feel generous to other provinces But before free trade has died let me say one word in memoriam Free trade it was that saved Bengal at a period when everything was dark round me when our markets had dried up when Calcutta had barely three days stock when our neighbours refused to send us any more when they just dug their toes in and said "The Government of India is wrong in

again can be placed at your disposal by non-officials far better than by any official agency that you can create. These food committees form a most admirable distributing agency also. They can preside over your distributions. I have found that the trade has not distributed the food grains in accordance with equity and good conscience, it is only where these food committees are functioning well that there has been proper supervision of the trade, and trade, which is always on the watch to take advantage of the public and of the government, has been made to toe the line. I would suggest that these food committees should not only supervise but should even be the distributing agencies, further what we have found is this. Distress has first overtaken is everybody knows and realises the submerged section of the population. These people used to be maintained by the villagers and by their neighbours, they are now being thrown out into the streets and they have to find food for themselves and it will take some time before the villagers again begin to realise their responsibility towards the destitutes. That will be a new problem before us as soon as conditions go back to the former state and I think it is time that we should impose upon local organisations and upon the local people the statutory or legal liability of maintaining their destitutes. Over and above this it is through the Food Committee that we can make rationing successful, it is through them that rural rationing even is possible. In some areas, distinctly deficit areas they have successfully rationed the rural areas. They have also been useful in urban areas and I wish to give you an example before I sit down. In the town of Dacca a food committee has been formed under the presidentship of a District Judge to whom I wish to pay a tribute before you. He has not spared himself disregarding medical advice—he is suffering from blood pressure he is devoting himself to rationing the city. He has formed a city Committee and mohalla committees. These mohalla committees have issued ration cards. They have visited every household, they have worked out the numbers in each household entitled to rations, they have issued these ration cards and all this has been done scientifically but without any expense. The whole of Dacca with a population of 2,40,000 has been rationed without even Rs 2 expense fully on the provincial exchequer. I think this can be achieved if we can take non-officials into confidence. I am quite prepared to open a training class for any members of any province that wish to know how to ration their cities without expense. We can make that a week's course or a two weeks course (Laughter). That is all I have to say. I am disappointed with some of the conclusions of the report in that they do not proceed to logical conclusions. But the report is a very valuable one and the committee are entitled to our sincerest gratitude.

Sir C. P. Ramaswamy Aiyar (Travancore). Gentlemen, it is with some sense of frustration and a sense of unreality that I propose to begin my speech but I trust that the proceedings of this conference will dispel both that frustration and that unreality. The previous speaker was addressing himself to the manner in which Calcutta and Greater Calcutta were left free from strikes, were free from industrial unrest and that all this was done mainly by free trade and a certain manner which he expounded. I am coming from a locality which contains a population of 7½ millions who are doing war work of the most important character and who are getting less than 30 per cent of the food necessary to keep them alive and have been failing to get it ever since these food conferences started. Let me make my position clear. The committee says that the average quota on which an adult can keep himself alive and presumably able to function in a normal manner is one pound. To-day Cochin has to live on 4 ozs per day and Travancore on 5 ozs per day if you do not include bajra, gram flour and wheat. In a moist climate bajra is found to be deleterious. Practically one in every six cases in which bajra has been eaten by the people resulted in dysentery. Local people called it cholera and we have been conducting propaganda to distinguish between cholera and dysentery. We have been engaging 45 public health assistant directors mainly for the purpose of conducting propaganda that dysentery produced by bajra is not cholera (Laughter). And to add to our bliss an offer of 3,800 tons of gram flour we

of getting enough rice from Burma to satisfy the needs of deficit provinces is a problem which will persist for the next three or four years. This problem is, therefore, not a short term problem. It is a long term problem and this problem must be faced at last for the next five years. Again, the interdependence of these areas, to which reference has already been made in the Chairman's speech, should be emphasised and kept strongly in view by every one dealing with this matter. And in order that I might not appear to be merely sermonising on abstract problems, let me indicate exactly what we have done. It is not in a spirit of bragging that I am indicating the steps which in 1941 the Travancore Government took to impose the maximum ceiling prices not only on rice but on all the other consumer commodities. The Travancore Government realised that fixing the maximum ceiling price on rice alone while not dealing with other commodities, would not be of any avail. Then we had been suggesting substitution of one food grain for another. In regard to this bajra however, unpalatable it may be, subsidies have been and will be given to every restaurant keeper, every hotel keeper to introduce bajra into the food products that he makes out of rice. He has been ordered to do it. He has been subsidised for this purpose—to include in the service of rice to customers some wheat or bajra in addition. But it has not succeeded as I have already submitted. We have then attempted to grow more food. We have as we are blessed with an abundance of rain—we have had to pump out water from our brackish areas—at page 5 I have stated we have made 10,000 acres of forest reserves available. We have reclaimed 10,000 acres left fallow by cultivators for paddy cultivation. We have converted single crop lands into double crop lands. We have used hydro electric power for the purpose of having two thousand more acres under cultivation and quite recently with a capital of a crore of rupees a fertiliser factory has been started. Without intensive cultivation this long term problem which I have spoken of will not be solved and I am hoping that the Government of India will come to our assistance so as to make it possible for us to continue intensive cultivation commencing two years from now at least if not immediately. Our problem cannot be solved unless every deficit province and every deficit State here starts intensive cultivation in addition to extending its cultivation. I trust that the Government of India will help us to import machinery and otherwise assist us in the matter of fertiliser scheme. There is another matter which I must deal with here and that is the telegram which I have just now received from my colleague Mr Dixon the Diwan of Cochin. He is unfortunately not able to be present here on account of the serious illness of His Highness the Maharaja. This is the telegram which he has asked me to place before the Conference.

'Much regret due to deterioration Maharaja's health unable attend Food Conference. Request you kindly represent both States. We consider Committee's proposal regarding procurement and rationing insufficiently drastic. Advocate Central Government food grains monopoly or failing that wide spread procurement requisitioning by Government and States themselves not through trade centre having power to decide quotas for deficit areas.'

• Mr Chairman we have tried wholesale trade channels but our failure has been a howling failure. On every occasion we tried it the wholesale merchant has let us down. Wholesale agencies and wholesale merchants from elsewhere have under other names started business in our State. Persons from Madras, persons from the coastal areas of Bombay, persons even from distant Bengal have established agencies for the purpose of wholesale dealing and if one thing is clear it is this. The Travancore and Cochin States will not resort to any wholesale dealer whatsoever whether inside the State or outside the State because we have found that the wholesale dealer inside is susceptible to profiteering and unsocial tendencies as much as the wholesale dealer from outside the State.

• I shall now state briefly what we have done. We have started on a scale which is perhaps mainly possible for a country bounded on the one side by the sea and on the other side by the Ghats but let me indicate what we have done. We have directed that the entire paddy produced by the State is at the disposal

of the Government for general distribution among the people and the entire quota is liable to be purchased by Government compulsorily except such quantities as the landowner or cultivator will require to retain with himself for the purpose of seed, cultivation expenses and *bona fide* domestic consumption. We have purchased grain from outside and inside to the extent of 2½ crores of rupees and the only trouble is that the grain does not reach us on account of the difficulty of transport and on account of many other difficulties. In this connection I may point out that it is rather curious that Travancore should buy rice from Kashmir and that each grain should make the pilgrimage from Srinagar or Jammu, through all the intervening provinces and States, until it reaches literally the other end of India. It is also not very easily explicable why for instance if you had to buy rice from Sind and the Central Provinces—both of which provinces have come gallantly and most generously to our rescue—why it should not be possible for the Central Provinces to supply to Madras and Madras should not send such supply to us and why Travancore should not get its supply from areas nearer to its borders. These are difficulties which arise perhaps on account of provincial autonomy and I do not wish to say more on that point, except to re-emphasize what I have already stated.

Now, let me finish that telegram from Cochin: It says:

"Consider essential discard ordinary wholesale trade channels. Advocate widespread rationing including all towns and all deficit rural areas. Favour price control which will only be effective if Government do procurement and distribution. Suggest rice eating troops should be given mixed rice wheat ration saving much rice for deficit areas.

Approve proposed Food Board but oppose trade penal for obvious reasons."

At this stage I should like to say this:

My colleague in Cochin, Mr. Dixon has had a conversation with the soldiers in the Cochin area. Most of them said that the European soldiers need not rely on rice. They said 'Take away this rice and give us something else' and if troops who are not entirely dependent upon rice as a normal staple diet can do to a certain extent without it—so Mr. Dixon tells me—that is a matter which is certainly worth exploring. Mr. Dixon further says in his telegram dated the 9th October:

"Present food position Cochin most serious even with rice ration just over four ounces only three days supply left. Position aggravated by loss half hot weather crop and 40 percent monsoon crop. Receipts from outside only 33 per cent of our minimum requirements. Even if all rice promised is received we shall including local crop be without stock in six weeks time. For next year, two States require 435,000 tons rice. Present system by which States obtain high priced grains from many other Administrations at opposite end of India most unsatisfactory. Strongly urge we should form one unit with Madras saving intolerable difficulty in purchasing price and transport. Urge Orissa, Madras and Madras States forming one unit. Only satisfactory solution our grave difficulties resulting widespread suffering."

In addition to taking these steps we in Travancore have also attempted to start certain coastal shipping, with a view to avoiding this railway congestion. We have not been very-successful so far but we hope to succeed better in time.

Now, speaking generally, the position is that we consider—and in this I am speaking on behalf of Travancore and Cochin—we consider that there should be price control and that price control should extend to all general consumers' goods including iron and steel, timber, building materials, etc., etc., and I am glad to see that the Committee generally endorses that suggestion.

In the two States of Travancore and Cochin we have practically eliminated the wholesale dealer. It might be difficult for other provinces and other units to follow that plan because of territorial and other difficulties but some modification of the same system by which a rigid control is maintained at the Centre is surely called for.

Side by side with that, strong anti-hoarding measures are necessary. I do not think that in Madras, Bengal and Bombay sufficiently stringent measures are being taken against the profiteer and the hoarder who is a social pest. He does not trade in his own name. He keeps 10 maunds in one village, 15 maunds in another and 500 to 600 tons are operated in that way. There are certain persons who have extended their operations from drugs and electric bulbs to rice and they have many sub-agencies and all these sub-agencies are very carefully

maneuvered unless the Centre with its strong Intelligence Department takes strong and continuous action. I see very little hope of the eradication of this pest.

I entirely agree with the last speaker in regard to the association of non-officials in this work. We have tried to bring the members of the Legislative Council and the Assembly members and non-officials into touch with our machinery. We have 100 gentlemen and in the matter of procuring they go round with the revenue officials and exercise their own legitimate influence in their constituencies. They find out who are the hoarders and stockists. In the distribution agency they also play a great part. That has undoubtedly eased the situation and has been responsible more than anything else for making the people realise that the difficulty is shared by high and low alike. At present there is no rationing except in 7 urban centres but a regulation has been enacted by which rationing throughout the State comes into force from the 1st November. Ration cards are being printed and we expect to bring that ration system in force. We are employing official and non-official agency for this purpose. We have also utilised the universities. We have called for volunteers. We have offered Rs. 100 a month and as many young men as possible will be utilised to help the revenue officials in the matter of distribution. All this is with regard to the stock that is there and the stock will suffice only for a few weeks time. Our case is not so bad as Cochin. We produce tapioca. About the virtues of tapioca as a diet there may be more opinions than one. It is generally considered that it is deficient in certain vitamin contents. However, we used to make 2 lakhs profit by exporting it to Bombay. We have prohibited the export of tapioca and we have lost all that profit. We had to do that because without tapioca people will utterly starve and the only export of tapioca is to Cochin which is in a bad way. It is true that we have not advertised widely many of our distresses. Our journals—there are 62 of them—are mostly in Malayalam. They are not read outside. We have no powerful Press to do propaganda. Nevertheless the distress is there. The distress may not be as great as in many other units. I am sure it from me to belittle the tremendous tribulation which Bengal is undergoing. That must stir a sympathetic chord in every one of us. The manner in which Bengal has dealt with the problem and the manner in which the other provinces have dealt with Bengal—these are matters which have not escaped attention but I am here to plead the cause of Travancore and Cochin which is in essence as critical as in Bengal. Was there anything said in any paper of people living on 30 per cent of the normal quota? Was there anything said of Calcutta or greater Calcutta having to tighten the belt as we had to do? We have all heard of the terrible happenings in the streets of Calcutta. If in Travancore and Cochin there have not been deaths from starvation the reason is simple. For six months in the year people can get plenty of plantains and jack fruit. Pappaya is available in several villages. Therefore there is something for people to eat. They do not die like flies as unfortunately they seem to do in Bengal. But how can you expect any vigour and any possibility of work either war work or post war work or reconstruction work or work for the future of India if you are going to keep people on one third of the food to which they are accustomed and ask them to be taken to shifts in the manner suggested? It is not necessary to say that our record of war work is not small. The contribution that we are making to war effort is not small but the greatest contribution that we have made to war work is that there has been no industrial strike there has not been any absence on the part of the three quarter million of students from schools and colleges in the year 1942. There has not been any sabotage in Travancore or Cochin throughout this period but if the present state of things continues and if the severity which is enveloping us is prolonged I cannot answer for the ensuing consequences. I should be very sorry to be responsible for the good temper of people who are on the verge of starvation. How is this problem to be solved? It should be solved for India as a whole. Divide the quantity available by the number of people that are there to eat that quantity and let the Government of India take courage in their hands to so distribute that quantity amongst those

people that at least a general ration or an approach to general ration is attempted and achieved. In no other way can that problem be solved.

Sir Joseph Bhoir (Bhopal): Mr. Chairman, I do not know whether I should take it as compliment or otherwise that I have been separated from the rest of my kind. At any rate, I may take it that I am not regarded as a left-winger or as a right-winger but as worthy to occupy a place, ephemeral though it may be, in the Centre. I have very little to say at this stage. I would only like to suggest that timely references should be made to the Governments of the States to enable them to study the papers concerned and to come to conclusions so that when their representatives come to Conferences like this they may be armed with the conclusions of their Governments.

Now, I do not want to make any charges of delay against the Food Department because I notice that their circular letter which was addressed to me was dated the 27th September, but as a matter of fact that letter came into my hands on the 11th October, late in the afternoon.

The Hon'ble Sir A. R. Mudaliar: Through the Political Agent!

Sir Joseph Bhoir: I am just coming to that. I am going to add that it was through a special dispensation of Providence because we happen to have a Political Agent who took the initiative and handed those papers directly they came to us. If normal channels had been followed, I should have got those papers after my return to Bhopal. I may also say that the proof copy of the report of the Committee is most interesting and a valuable report came into my hands two hours before I boarded the train which was to bring me to Delhi. But I must be quite fair and say that a copy of the conclusions of the Committee reached me some days ago. But it is not possible to come to a series of conclusions and to give them that consideration which they deserve unless you are in possession of the reasons for and the arguments in support of these conclusions. It was, therefore, not possible for us to give the attention which should have been given and it was not possible for the Government which I represent to come to definite conclusions which I could put before this Conference.

I understand that the Conference would like to have a short conspectus of the food position so far as my State is concerned. This, I think, I can give in a very few words. We are normally a small surplus wheat area but we also normally import a fairly considerable amount of rice. Under the present circumstances that import of rice has ceased. The strain, therefore, upon our wheat production has been great. Nevertheless, had it not been for very unfortunate agricultural conditions last season, we might have had something to spare for export. There was a series of unfortunate natural circumstances, such as, unseasonable rains, frost and I am afraid the greatest damage was done by a series of violent hailstorms. Nevertheless, we have been able to meet our requirements up to the present and we hope that with the precautions that we have taken we shall be able to meet those requirements in respect of wheat until the next Kharif harvest comes in. Those precautions, I may say, are that we have fixed the prices and we have rationed our population for a space of time that we can count in something like 18 months. The effect of rationing and control of prices has been very marked. This enabled us to survive what otherwise may have been a disaster. It has enabled us, when stocks were not actually in sight, to cut down slightly the rationing of our people. Nevertheless, it meant that the people would not starve. So far as we are concerned, therefore, we hope to carry on until the next harvest because a State-wide drive has been undertaken, village by village and almost Bunder by Bunder, to ascertain whether we cannot have stocks to tide over this period. So far as the next harvest is concerned, it is not possible for us to estimate with any accuracy just yet what the prospects are likely to be. But we may say that the Juwar harvest promises to be a fairly good one and conditions so far as they have shown themselves at the moment, appear to be favourable for the next Rabi harvest. Ploughings are going on on an increased scale with the result that if nothing untoward intervenes, I hope we shall be able next year to make a valuable contribution. That is nothing more, of course, than a hope.

I may say that we have promised to contribute 50,000 maunds of gram to our neighbours. That promise will be implemented and it is just possible we shall be able to do more. Already part of that has gone to Indore and I think to one or two other localities adjoining us. The only thing that I can do is that I can give you the assurance that whatever is possible to help our neighbours who are less well off than ourselves we shall endeavour to do. We are going out whole-heartedly to implement the "Grow more food" campaign and I hope that we shall be able before we leave Delhi to bear something more of the assistance which the States may expect to get to enable them to grow more food, to obtain mechanical implements, to extend their irrigation areas and mechanical apparatus to assist them.

Sir C. P. Ramaswamy Iyer: May I add one sentence? I had intended to say that one of the difficulties which it is quite easy for the Hon'ble Members of Government of India to deal with is to try and stop this poisonous propaganda which is now being set about both in India and in England that the difficulties to the food supply and the mismanagement by our own people may be the real reason for not doing something which might otherwise have been done. I may say that nothing has given more pain to many of us and I am sure nothing will be more poisonous than this propaganda. I have also noticed that newspapers are bitter on saying that because the Indian machinery has been dealing with this problem, it has failed. It has failed for other reasons and people who know the causes of failure know those reasons.

Sir F. Anderson (Bahawalpur): With your permission, Sir, I propose to deal with two subjects. The first relates to the Committee's report and the second is about foodgrain conditions in Bahawalpur State.

As regards the report, it is most exhaustive and interesting and it has been produced in record time. My Government is prepared to accept its main recommendations subject to a few observations on some of the recommendations, namely, the price control, rationing, the system of procurement and so on. Those subjects will, I hope, be discussed tomorrow and at that time I hope I shall be given an opportunity to express the opinion of my Government.

As regards the food crops, wheat is the most important of our winter crops. Our target figure fixed by the Food Department for the year 1943-44 was 100,000 tons, of which 60,000 were to be exported by October and 40,000 from November to March. Up to about a week ago, our actual exports were 62,000 tons. In addition, 25,000 tons will, I hope, be exported within the next 10 or 15 days. So by the end of October our total export should be of the order 80 to 82 thousand tons. The Food Department has recently given us an additional quota of 60,000 tons. Thus we are exporting 1,42,000 tons that is about double our pre-war yearly exports.

As regards gram, our target figure was 21,000 tons for this year, of which 5,500 tons have been exported. We should therefore export about 16,000 tons more, but we have undertaken to give the Food Department 40,000 tons.

As regards kharif crop, we submitted about a month ago to the Food Department a forecast, but I regret to say that owing to the failure of monsoon in July this year many unirrigated areas have not been sown this year and those areas which were sown have not produced more than 6 annas of crop this year. I think we should have an appreciable quantity of millets available for export because the irrigated area is definitely promising. Rice is a commodity in which we are deficit. We have sufficient inferior rice. In pre-war days we always imported something like 3,000 or 4,000 tons of good rice. This year we imported only 500 or 600 tons and on behalf of my Government I am quite prepared to give up our superior quality of rice for the sake of deficit areas.

Mr. K. M. Panikkar (Bikaner): Sir, the Premier of Travancore State has taken the range of a mere survey of the position in been faced with a major issue as to whether we of food production and food distribution. That is the problem which has not been dealt with in any serious way by your report,

and to my mind it touches the very root of the problem in its present state. India cannot be considered as one unit at least for deficit crops and their transportation from one end to the other in a manner satisfactory to each unit, then we are faced not merely with distress areas, but with distress in the midst of plenty. We have in India our surplus areas and people having plenty of food, while other places find it difficult to have it transported. Vast areas have to go without sufficient food to keep the people alive, so that the major problem which faces this conference at the present time cannot be solved by the procedural arrangements which we have been discussing. The question is whether we should face the issue of an all-India control, all-India procurement and all-India distribution of the essential foodstuffs and the price fixation not merely of food, but of other essential commodities with which they are related. No doubt as the discussion proceeds, we will address ourselves to that important question.

The immediate problem which you have referred to us is the situation of food crops within our own areas. In the Bikaner State, when we started with food control measures sometime ago, we were in an uncertain position through lack of accurate agricultural statistics about food production. But the experience of the last one year has shown us that so far as our own main staple crops are concerned, we are practically self-sufficient. So far as wheat is concerned, we produce about 18 lakhs of maunds, out of a necessity of 19 lakhs of wheat; so far as bajri is concerned, we are slightly surplus, but in regard to other food crops like barley, gram and *mot*, we are a surplus state, and we have been offering them as in the past for distribution to Rajputana Residency. In the main, the question with which we are faced, even with regard to our surplus is one of distribution. As Sir C. P. Ramaswami Iyer pointed out, the problem is also facing us why people should be allotted small quantities of grain in Gangauagar to be transported to distant savanur and why the 85,000 maunds of barley which we offer for distribution to deficit areas should be allotted in this most peculiar manner to very distant areas. We are given allotment to Palitana, Jambhandi and other states in Gujerat and Maharashtra. They come all the way to Bikaner in the hope of getting this grain. They have then to proceed to Gangauagar on the border of the Punjab and they stay there in the hope of being able to transport these small quantities which are allotted to them.

The problem of finding suitable areas from which surplus grain could be distributed is to my mind one of essential importance. The question resolves itself into a suitable method of distribution and finding transport facilities in a manner which can be adjusted to the requirements of our food problem. I do not for one moment consider that it would be possible to arrange our transport in such a manner as to overlook the immediate and urgent necessities of war. At the same time whatever transport is available for civil supplies may be so distributed as to make this the first priority, that is transport of grain where it is lying allotted to other States. The transport should be distributed in a manner which would meet the requirements of the deficit areas and it would also meet the problem of surplus areas because they do not know how to stock food grains which has already been allotted.

As regards the next year, we are looking forward not to a very good crop because the average rainfall of nine inches with which the Bikaner State is blessed has not fallen this year. We have had only about four inches of rainfall in certain areas. Though it may not be a deficit year for us, taking the whole State into consideration, though we may still be able to offer considerable quantities of food grains which are not staple food grains of our State, we have as a general consideration and as a governing factor to keep in mind that we are always at the door of famine. Where the average rainfall is only nine inches, we have had only four inches. We have to visualise the possibility that famine may be next door to us and as such a certain amount of reserve is always a necessity for a State like ours. Whatever surplus is available will naturally be placed at the disposal of the Government of India for any distribution that it

decides to make. The only request that I make is that when allotment is made and when distribution is decided upon proper facilities of transport may also be made available as otherwise good grain may deteriorate and be wasted and it will not reach the deficit area to which it is intended.

Mr H. V. Gungson (Hyderabad) Hyderabad food prospects for the coming 12 months are good. But during the period between the last Conference and the marketing of the *Charif* crop we have met considerable difficulties. The monsoon broke early and heavily but from the second week of July there was a prolonged drought. Thanks to the good start which they had had the unirrigated *Charif* crops stood the drought well but late sown crops had begun to wither and there was not water enough to transplant the normal *Charif* rice crop while the fear that the monsoon was going to fail led cultivators once again to hold on to their stocks. The drought ended in the second week of August and was followed by exceptionally heavy and prolonged rain throughout the State which in some parts caused waterlogging and in most districts fear of heavy damage to the crops. From the food procurement point of view the major difficulty was that the village roads became impassable for carts.

But except in the few localities where the run of August and September did permanent damage our *Charif* crops should be very good. In particular we look forward to an early cessation of our main local problem, the feeding of the eight taluqs of the Raichur and Gulbarga Districts where scarcity was declared and of the large areas of Nalgonda and Mahabubnagar Districts where groundnut and castor have permanently reduced the area under food crops. But one adverse consequence of the irregularity of the monsoon has been a heavy fall in the *Charif* rice area of about 30 per cent. The continuance of the run well into October has given optimum conditions for *rabi* sowings and most tanks are so full that we shall have an exceptionally large area under *rabi* rice.

A factor that has severely militated against official procurement has been the marked growth of organised smuggling along the Bombay border particularly into the Dharwar, Bijapur and Sholapur Districts and Alakhot State. We have also detected some large scale smuggling into the Bellary District. This illicit traffic has grown to such an extent that it is estimated for example that during 1942-43 20 per cent of the entire crop of the Osmanabad District (one of our principal *guar* areas) found its way over the border without payment of customs duties and in defiance of the ban on private exports. The problem is a difficult one. The total land frontier of Hyderabad State is 1500 miles long and probably two thirds of this is represented by the western border between Hyderabad and Bombay where the frontier is extremely irregular and there are islands of Bombay territory inside Hyderabad and vice versa. Our Customs officers are not armed and our Customs posts were sited for dealing with normal rail and main road traffic not for organised bootlegging of grain. The smugglers are armed and in certain recent cases have opened fire upon our preventive staff. The marked disparity between Hyderabad and Bombay prices means that smuggling is very profitable. The leading smugglers to avoid our Customs posts have organised bands of 100 or 150 labourers to carry head loads of grain over rough paths where the only hope of interception is by employing flying Police and Customs squads. In the past 2 months 700 or 800 cases of smuggling have been detected so that something has been done to tackle this problem. Although our total exports under the Revised Basic Plan between July and the end of September have only been 1,500 tons of millets out of the 52,000 tons due from us between July 1st and the end of November we know that the actual exports have been far greater owing to this organised smuggling. We should like to emphasise that the main cause of this smuggling is that prices remain much higher in the neighbouring Bombay district than in Hyderabad we therefore welcome the proposed co-operation in the fixation of ceiling. There are various causes for our lower prices. For a long time 1 to 1 1/2 per cent but as our neighbouring provinces did not 1 1/2 per cent prices was so marked that for a long time our cultivators h

tious pulses. If, moreover, our agricultural census and the other measures already mentioned above to show that this can be done, we shall increase these quantities. We realise that we are not likely to be able to import rice to make good our normal rice deficit of 67,000 tons, even though in the first few months this will be somewhat increased by the reduction of our *khair* rice area, but as a result of our Grow More Food measures, particularly under the Nizamnagar canal and certain new and restored tanks, and of the chances of a fine rabi rice crop, we shall at least partially overcome this difficulty.

His Exalted Highness' Government are favourably impressed by the report of the Foodgrains Policy Committee and are prepared to accept most of the recommendations and shape their own food policy accordingly. We have, however, to enter a caveat in respect of those proposals which seek to strengthen the Central control over the operations of State Governments. The report itself often recognises the difference between the constitutional position of Provinces and States. We desire, however, once again to emphasize that constitutionally we must remain the judges of what we can export. Nor can we allow other Governments to set up procuring agencies within our territory. In view of our constitutional position, we cannot accept recommendation No. 71, as phrased in the printed summary, that statutory prices should not be fixed without the consent of Central Government, it is noted however that page 87 of the report makes this recommendation only for provincial areas. We welcome the proposals for the co-operation of States and Provinces in the fixation of ceiling prices, though, as it is clear to us from our own experience that we should set faces firmly against the uncertainty caused by any idea that ceiling prices may ever be increased, we fail to appreciate the suggestion that the centre should have the right to suggest upward changes. While emphasising, as we are bound to do, the constitutional position, at the same time, we desire to make it clear that, as always, we remain fully determined to co-operate as much as possible and to minimise differences in policy and administration, and that we shall welcome all help in the form of advice from the Central Government.

We are also strongly impressed by what is said in the Report about publicity and public co-operation. Public opinion, as a whole, is not so developed or vocal in the State as in the neighbouring Provinces, and it has tended to be self-centred in food matters. At a meeting held just before I came to Delhi certain non-officials strongly criticised our decision to fall into line with the rest of India in the rationing of Hyderabad City and other urban areas, holding that because we had food in the State and because no one who had the money had had to go hungry, it was not fair or necessary to ration. In replying to this I found the summarised reasons for rationing given in Chapter VII of the Report not only effective in themselves but very disarming of criticism. When we are faced with situations such as that of Bengal and to a less extent of the famine areas in western India, we cannot have too much publicity or too much assistance from the Central Government's propaganda machinery.

I have indicated also that we have not accepted the argument of the Foodgrains Committee's Report against compulsory procurement of foodgrains from the cultivators but admittedly our different constitutional position makes it easier for us to experiment on these lines without undue disturbance of public opinion, and we frankly regard what we are doing in this direction as experimental and as only a part of our general procurement plan.

I have only to add that we have done a great deal to stimulate the growth of more food, and that we shall be able to make comments on the various detailed recommendations as they come up for discussion. We are grateful to the Foodgrains Policy Committee for its labours and welcome its report, particularly the majority recommendation regarding ceiling prices, and we shall do what we can successfully to implement its recommendations.

Dr M S Mehta (Mewar) Sir, at the last conference I had said that we would do our best to help the Central Government in their programme. The figures that I will give you will indicate that we have more than kept our word.

in that direction. In the matter of wheat we were allotted 11,000 tons by the Food Department. It was allotted as follows:—

From the Punjab States—1,000 tons wheat.

Patiala—3,000 tons wheat products.

Punjab Province—1,000 tons wheat.

Out of this we have already taken 6,100 tons, and we have surrendered 4,900 tons. In respect of gram, the export quota fixed by the Food Department was 12,464 tons including a reserve of 464 tons. Now we should be in a position to make available for export 1,000 tons more, spread out as follows:—

Bharatpur—15.

Bikaner—160 (including 130 tons of Gram Dal).

Kotah—795.

This has been offered to the Food Department. In regard to barley, we would be in a position to export 400 tons from Bharatpur. In regard to bajra, jowar and maize we have tried and succeeded so far to be self-sufficient. In rice we are a heavily deficit area. But knowing the conditions in the country as we do we do not expect to import rice from outside.

I have indicated our position in regard to wheat, gram and barley. I would make two general observations, namely that the Food Department should make use of without delay of the stuff that we are able to offer. Our experience has been that our Food grains suffer great loss due to deterioration because of the delay on the part of the Food Department. Secondly, we in Rajputana shall feel grateful if the Central Government would take a little greater care of their district of Ajmer-Merwara than they have hitherto done. So far we have been able to pull through, except that in some very fertile parts of Rajputana we have had rather unprecedented damage due to floods. That has slightly deteriorated the position with regard to food supplied in certain parts of Rajputana only.

As for the reactions of the Governments of States in Rajputana to the report of the Foodgrains Policy Committee, I am afraid I have not yet heard from them as to what their own reactions are and what conclusions they have arrived at, but from the talks I have had with the representatives of Rajputana States, who have assembled here for this Conference, I am in a position to say that we would like to pay our tribute of admiration for the excellent report that the Committee have brought out. The importance of the subject deserved such a thorough and such an able examination of the food position much earlier, but that does not mean that we are behind anybody in appreciating the very good work that has been done. I may add that in general their recommendations seem to be sound and satisfactory. And the States of Rajputana and their Governments would continue to co-operate with the Central Government in implementing the recommendations generally. But I am not in a position to say definitely as to whether all the recommendations will be accepted in their entirety and in the form in which they have been put in the Report. The Supply Committee of the Regional Board for Rajputana has set up a sub-committee to go into the question of rationing and it is expected that the States will receive the recommendation of that committee in about two months' time. We have in Rajputana, besides Ajmer, three cities with a population of 100,000 and over, but I am not in a position to state as to when Jaipur, Jodhpur and Bikaner will be in a position to start rationing, but that subject is being seriously considered. There is going to be perhaps a very sharp difference of opinion as to whether fixing of statutory prices or ceiling prices will be practicable. In any case that is a matter on which it is difficult to be definite as to what view will be favoured by the States Government of Rajputana.

In general, Sir, we have in the past received advice and co-operation from the Central Government whenever we were in need of such a help. We have reciprocated that policy to the utmost limit of our power. We shall continue to do that while the war lasts, we realize that it is most essential. We have done this in several matters in promulgating in our State all the orders of the Central Government, some of them are quite useless for our States and their

populations. This has been done out of a spirit of genuine co-operation which is necessary in time of war and we shall continue to do the same in approaching the food position.

That is all I have to say on behalf of the States of Rajputana.

Capt R G Wreford (Kashmir) I speak for Kashmir. The present food position in the State is that the Frontier Districts of the State, Ladakh, Astor and Gilgit are self supporting with the help of limited supplies from Kashmir.

In the Kashmir Province rice and maize are staple foodgrains and taking the area as a whole it is just self supporting. There are some deficit districts which get supplies from areas which have small surpluses.

A Foodgrains Control Department has been in continuous operation since 1921. This organisation exists primarily to guarantee a rationed supply of rice to the Srinagar city at reasonable rates. In the towns issues have been made under the control of Town Area Committees, consisting of officials and non-officials and in purely rural areas through the Panchayats. The position in the Kashmir Province is under control.

In the Jammu Province conditions are very different. It is a deficit area and before the war annually imported wheat from the Punjab. It has a small surplus of rice. Under the Basic Plan the import quotas were fixed at 10,000 tons wheat and 1,000 tons gram and the export quota at 2,000 tons rice. His Highness Government were prepared as a last resort to requisition stocks from the many small holders but the Basic Plan quotas rendered this drastic measure unnecessary except in the case of the rice required for export to meet our obligations under the Basic Plan.

The measures adopted by His Highness Government were operating with fair success when in July our wheat quota under the Basic Plan was suddenly reduced by 75 per cent. Up to that time imported grain was being sold to the public in Jammu below cost at Government expense to keep prices within or at least near the purchasing power of the masses. This was in addition to the grant of Dearness Allowances to the lower paid government officials amounting to about 10 lakhs per annum for the whole State. The sudden drastic reduction of our quota upset all our plans and destroyed the confidence of the people of all stations in life in the ability of His Highness Government to supply grain. We were obliged to stop controlled issues from Government stocks until the position had been reversed. This was inevitable but it was equivalent to the removal of a bone from a hungry dog. Prices rose quickly and steeply and there were food riots in Jammu on September 23rd and 24th. In view of the fact that a Commission of Enquiry is shortly to investigate the causes of the disturbances and the incidents connected with them it would be unsuitable to say more at present. The situation is now in hand, available stocks have been requisitioned, controlled issues organised and the requirements of the position reported to the Central Food Department.

The restoration of the original modest quota of 10,000 tons wheat would enable His Highness Government to restore calm and confidence in a very short time but if the original quota is not substantially restored trouble must recur when our existing limited reserves have been exhausted. I may say we have since been promised another 1,000 tons of wheat.

As regards the conclusions of the Foodgrains Policy Committee I have to say that our statistics like those of most other places are very unsatisfactory and for some time to come we shall have to rely on such production figures as we possess and the customs records of imports and exports.

As regards the Grow More Food campaign His Highness Government generally support the recommendations of the Foodgrains Policy Committee but in the matter of irrigation it is necessary to point out that supplies of iron, steel, cement as well as pumping plant are necessary. At present we have no quota for iron and we also require iron for agricultural implements.

As regards import, export and Army purchases His Highness Government generally support the conclusions and recommendations of the Committee. 22 to 30 of the Summary.

The proposal to import sufficient grain not only to meet the existing food-grains deficit but to create a Central Food Grains Reserve of adequate proportions has full support.

As regards procurement; His Highness' Government strongly supports the view that procurement operations within India should be carried out by the Provinces and States. In the Jammu and Kashmir State the conditions are such that official agencies must be used to ensure success. It is agreed that the control of transport is necessary. A Transport Control Order covering both wheeled and animal transport has been recently promulgated in the State. The views in para. 42 of the Summary with respect to the absolute necessity providing a greater volume of consumers' goods at reasonable prices have the full support of His Highness' Government. The dearth of iron, steel, cement, building materials, kerosene oil, medicines, agricultural implements and metal utensils, etc., is keenly felt.

As regards distribution and consumption of foodgrains the difficulties are not entirely confined to the cities and towns but 95 per cent. of the problem relates to urban or semi-urban areas. The necessity for rationing such areas is accepted. The power to requisition and to control movement of stocks into rationed areas is essential. His Highness' Government have found by experience that it is easier to control issues under rationing by the operation of a family ticket than by the issue of individual tickets or ration cards. The operation of ration cards by individuals increases the number of transactions unnecessarily. His Highness' Government recognise the necessity for Advisory Boards and local Advisory Committees consisting of a strong non-official element and the utilisation of Co-operative Societies for the distribution of foodgrains where such organisations exist.

His Highness' Government support the policy of statutory prices and the narrowing of differences, but recognise the practical difficulties of enforcement. They wish to emphasise the view that prices should be reduced and those in the more fortunate areas in no case raised further. The State is prepared to fix statutory prices again at any time in Kashmir Province but in the Jammu Province the fixation of statutory prices is only feasible if a quota to meet the deficit is assured. Unless an established deficit in any area is covered the fixation of statutory prices must become inoperative. His Highness' Govt. support the view that statutory prices, if adopted, should be fixed with the consent of the Central Government and the creation of a Standing Prices Committee composed of representatives of the Provinces and the States. But statutory prices in any area must be fixed with due regard to local economic conditions and not be beyond the purchasing power of the urban masses.

It is recognised that the quotas fixed under the Basic Plan must be liable to revision on the basis of newly ascertained facts, but quotas once fixed should not be drastically and suddenly reduced.

In view of the lack of reliable statistics it is not at all certain that the formula discussed in para. 80 of the Summary will meet the requirements of deficit areas. In the case of this State the hard fact has to be faced that without an adequate quota the position in the Jammu Province will always be one of ferment and uncertainty leading to the existence of prices beyond the capacity of the great majority of the people to pay. The administration of a deficit area must be able to rely on the quota fixed under the Basic Plan as a guaranteed supply and unless this is known to be the case by the public the local population will have no confidence in the ability of the administration to maintain supplies.

Whatever decisions may be taken and whatever the policy it is decided to adopt at this Conference, His Highness' Government will co-operate to its utmost.

Mr. Rajwade (Gwalior): I speak on behalf of Gwalior. I will divide my remarks into two parts. The first part would relate to our domestic food position and the second part would relate to the Gwalior Government's attitude towards price control.

I would like to take your permission Sir, to make on behalf of the Gwalior Government these remarks on price control now because in the normal course of things, it would be better for me to make these remarks to-morrow but as we are fundamentally opposed to price control I would like to make them today in my first speech

The food position of Gwalior has been on the whole not too bad. As I said in the Third Food Conference, we are not a deficit province except in regard to rice maize and barley and we are a little surplus as far as millets are concerned and to a certain extent in gram also. The wheat position of Gwalior has not been as was anticipated, particularly sound. Our wheat crop failed last year mainly in the district of Bhilsa which is a wheat producing tract. In gram our surplus has been allocated to the Bombay Presidency and our despatches have commenced. Millets whatever surplus we have have been going to Bengal. For our local consumption the supplies have been fairly continuous. For wheat supplies we are dependent on our southern districts.

I would now like to make a few remarks on the trend which the price level has taken in Gwalior. These remarks have a bearing on what I will say in the second part of my speech—remarks in regard to price control. When prices were decontrolled in April last there was an all round increase of about 33 per cent in the prices of all food grains in Gwalior. Then in July the prices got stabilised. Wheat has fluctuated between Rs 10 12 0 and Rs 11 12 0 a maund. Our gram growing tracts are mainly two—one in the northern part of the state and the second in the centre. The supplies to Bombay are being made from the central tract and in these two districts which constitute this tract as soon as the purchasing operations commenced the gram prices shot up. From Rs 7 12 0 before the commencement of purchases they rose to Rs 9 12 0 a maund. This led us to a control of movement of food grains. In Gwalior we had free movement of food grains formerly but as a remedy against the inordinate rise of prices in the central tract we had to stop movement of gram from the northern part to other parts of the State. The second point I would like to mention in regard to the domestic food position is the operation of the Foodgrains Control Order in Gwalior. I have a suspicion that in the British Indian provinces the Governments have fought shy of requisitioning as a price control device. We in Gwalior view this problem of requisitioning in an entirely different light. We resorted to requisitioning last year and this year too we have resorted to it on more than one occasion. In our food grains control order we have gone even further and have provided for confiscation as a penalty in particularly heinous cases.

I would now like to make a few remarks on the statistical position. The food grains policy committee speaks about three factors which go to determine the statistical position of any particular unit. Out of these three our area statistics are absolutely accurate. Our yield statistics too we have attempted to make them as up-to-date as possible. Then there is the Condition Factor. From time to time our Revenue agency has to correct figures of standard yield in the light of conditions prevalent at any particular time.

After these observations in regard to the domestic food position I have been authorised to say by the Gwalior Government that they do not view the food grain policy committee's majority recommendation that price control should be reimposed favourably. The Government of Gwalior have further authorised me to say that they are happy that the free trade bugbear has been given a burial but in regard to price control I am afraid the views of my Government are very definite. The arguments against price control are well known to everybody and I do not claim to be novel when I repeat them but I think it is worth while to give a complete list of arguments against price control. Here I would crave your indulgence to allow me a little time.

The first question that we have to tackle when we decide upon the imposition of statutory price control is what will be an inherently fair price. That is very difficult to determine. My experience of last year has been that a falling price has evoked considerable response in the shape of supplies but a statutory price has done nothing of the kind. In a period of falling prices

there is the danger that if the price keeps on falling, the stockist will not get even his cost and the agriculturist may not get even his cost of production. With statutory price this fear disappears. Secondly, is the control price going to be a static price or is it going to be a variable price? If it is going to be a static price

Chairman: Will you deal with this tomorrow when we are discussing statutory prices? The time is short.

Mr. Rajwade: All right, Sir. I will deal with it tomorrow. Before I conclude I would like to say that my Government's views in regard to price control are very definite and if not for anything else, at least to prevent being accused of constant shifting of policy, they would not like to embark on this venture again. I would make whatever observations have to be made about price control, tomorrow.

(The Conference then adjourned till the next day.)

The Conference met again at 10-30 a.m. on Thursday, the 14th October, 1943.

The Honourable Sir Jwala Prasad Srivastava was in the Chair.

Chairman: Yesterday the Madras Representative did not turn up on account of breaches in communications. Now that he has come up he can make a statement if he wants to.

Rao Sahib P. V. Subba Rao: The Adviser, Madras, has been delayed for a day owing to floods in Madras. He expects to be present to-morrow and express his views further.

For the present, I wish to say that we consider the Report to be generally satisfactory except for the proposals about prices. The Madras Govt. consider that the present system of ceiling prices made effective by requisitioning is satisfactory and has been working well and that it should not on any account be replaced by the statutory control of prices. The reasons given by Messrs. Rajesswar Dyal and H. S. Kamath in their dissenting minutes are, we consider valid. The Madras Government trust that the proposal will not be pressed and also that the Central Government will not try to exercise control over the detailed execution of the ceiling price system as such a centralised control will make the system inelastic.

Chairman: Now we go on to items on the agenda. The first is Basic plan—78, 79, 80, 81, 91. I do not think that every representative here should speak. If it be so, there will be no end to the proceedings.

(At this stage Rai Bahadur S. V. Kanungo said that he wanted to say something about Central India administered areas.)

Chairman: Yes, we will give you an opportunity. Would any representative of the provinces want to speak on the basic plan?

Mr. E. C. Ansorge (Bihar): Will Nos. 78, 79, 80, 81, 91 all be taken together?

Chairman: They all relate to the basic plan.

Mr. E. C. Ansorge: We in Bihar are unable to accept recommendation No. 80. The Committee has pointed out that the situation "cannot be remedied by a mere change of formula" and then goes on to propose "a mere change of formula". It stresses the need for uniformity in this matter, but we do not consider that there is any necessity for uniformity. What is required is that the nearest possible estimate should be made of the total amount of food grains which can be made surplus in any province, and whatever method can best achieve that end is the best method for that particular area. If in a province there is a good experienced and capable revenue staff, which produces reliable production and acreage statistics, obviously that information should be taken into accounts in estimating the total surplus or deficit of the province: but where such a staff does not exist it is, we consider, worse than useless to attempt to make out a formula based upon figures which are entirely

and admittedly unreliable. There is no reason why a method that is adopted in one province should be adopted throughout all the provinces and States in India. As I said before, what we have to do is to get the best information that we can and the most reliable data and that will depend upon the administrative machinery in each of the provinces. We therefore cannot agree to a formula which, in the Committee's own words, is not capable of extension to all the provinces of India. The objections to this formula have been stated in Mr. Kamath and Mr. Williams' note of dissent and have also been recorded in the body of the report as reflecting the views of Bihar and to those views we adhere. We consider therefore that instead of making a fresh formula an attempt should be made to ascertain by the most reliable data available the most accurate estimate of the surplus or deficit in each of the provinces.

Mr. A. W. Ibbotson. I should like to offer one observation on the proposed formula, and that is that, although we are willing to accept the general proposal in 79 the formula that is proposed assumes that when you get a crop above normal the whole of the surplus comes to the market.

(Sir Theodore Gregory was understood to say 'No'.)

Mr. A. W. Ibbotson. In that case I have no criticism to offer. The whole surplus does not come to the market. In a normal year only 50 per cent gets into the market and in the case of coarse grains it is still less. We have another formula based on the probable arrivals in the market which we would be willing to discuss if you wish to, but I do not think I should bother you with details about that. But at the moment as long as the formula does get down to what is likely to come to the markets we are prepared to accept it.

Sir C. P. Ramaswami Iyer. I have very little to say on the formula itself except this that it seems to be the best that can be devised in the circumstances. It is one thing to lay down a formula or a basic plan, but it is another to carry it into effect. Notwithstanding the fact that the basic plan allotted a certain number of tons of food grains to Travancore and Cochin, we got less than one third of that amount and there is no point in pointing out that there was a basic plan because, speaking of Travancore and Cochin I may say that the basic plan failed before it began. The basic plan proceeded on the basis that Cochin should be the place of distribution. That basic plan worked fitfully and irregularly. The grain came at a time not when we needed it most, but at a time when we were reaping our own harvest. It seems to me that there was no co-ordination of transport facilities so that it could relieve distress where it was most acute.

I sought to make this plain in a memorandum which I circulated yesterday but as many of my colleagues may not have read the memorandum I crave leave to read two sentences from it:

or at the rate of 31,000 tons of rice per month. The revised basic plan has allotted 52,380 tons of which 18,000 26,500 tons of this the slow actually receiving uns out of the taken together has fallen short of the deficit by about 50 per cent, and the net shortage on the basis of actual delivery is 64 per cent of the deficit.

We got only to the extent of 36 per cent of the figures set out in the basic plan and that in an area which at the best of times produces only 40 per cent of its food grains. That is a matter to which special attention must be paid. It is easy to devise a suitable formula. The question to be answered is these: Where is the surplus? Where is the deficit? Transport from the surplus to the deficit area. Arrange the available figures on the basis of a five year average or three year average. Any basic plan must be carried out at all costs by means of the co-ordination of transport facilities as well as the procurement

facilities which this committee and the Government of India are going to provide. Merely framing formulas does not help us.

Mr. N. M. Buch: I will put forward the Punjab view as regards the basic plan recommendations. As regards recommendation No. 78, the Punjab does not consider that there is any objection in accepting this recommendation, except that there is one little point about this recommendation which we want to point out. At present the Kharif year is calculated to run from 1st December to the 30th November. I got a communication last evening which has remedied this difficult point. Now, the Kharif year will start from 1st November instead of 1st December. That meets our point of view to a considerable extent although we would have preferred the Kharif year to start from the 15th October but we have no major difficulty on that point left.

The Punjab Government accept recommendation No. 79. As regards recommendation No. 80, our point of view is as follows: We accept the formula proposed as sound in theory but wish to point out that the Punjab Government felt very strongly that it was extremely misleading to stick to a rigid formula. There are several reasons for this. Local conditions make it impossible from time to time to adhere rigidly to a formula, such as growth of population, influx of new population as a result of increased war production, increase in normal standards of consumption as a result of prosperity, etc. It is therefore recommended that while the formula should be used as a general guide, its results should be modified according to local circumstances and peculiarities.

As regards recommendation No. 91A, the Punjab view is that the machinery of arbitration suggested would not be very effective since the administrative difficulties of arbitrating quickly and satisfactorily would be considerable. The Punjab Government view is that if the figures of surplus were not acceptable to the Government of India, the province should be permitted to make a detailed representation in the matter. Following this representation the Punjab would be willing to accept the final decision of the Government of India and would endeavour to work up to the figures thus decided on.

Mr. Jha (Orissa): In the absence of proper production figures, I think the adoption of the formula would be like putting the cart before the horse. We agree with the view of Mr. Ansorge that it would be wholly inappropriate to insist upon the adoption of a single formula for the whole of India. In provinces in which statistics are maintained accurately, as regards production and so on, there should not be much difficulty but in a province like Orissa, where conditions are probably the worst in the whole of India I do not see how we can adopt that formula. In one of our rice growing districts, there have been no land survey and settlement and we have absolutely no figures at all. It is really impossible for us to make an estimate. Leaving out that district, we can work out the formula for five districts out of a total of 6 but I do not think that would satisfy either ourselves or the Government of India. Another factor is the extent of exports and imports. We have got figures of rail borne imports and exports but none at all as regards road and river transports. It is therefore impossible to work this formula for areas which are backward as regards their statistical position. Recently, this difficulty was illustrated in a remarkable manner. We had a district officers' conference in which estimates of production, acreage and consumption were worked out and discussed. It was shown that we were in deficit of several lakhs of maunds. Eventually the Government rejected the figures of the District Magistrates and they suggested certain figures to the Government of India based on their own experience. . . . Until we carry out a proper statistical survey, with the help of the Government of India, financial and otherwise, we feel that the only way to fix a surplus for Orissa is to have discussions with the Central Government across the table based on our experience and on the various local factors and then fix a certain figure.

Sir Geoffrey Burton (C. P.): Might I say that the Central Provinces Government supports the principle proposed in the minute of dissent to the Committee's

report put in by Mr Hamath and the Bihar representative. We think that that formula is probably the best of all those that have been put forward and we would suggest that it should be subject to check by the obvious means at our disposal—the population test. The surplus is what is left over after the harvest has been got in. The amount that is eaten depends on the number of mouths to be fed. The problem is not merely one of crisis due to war conditions. It is very largely the result of an increase of population. You must take that point into consideration when you estimate your provincial needs.

Another means of check is the latest railway traffic inter province export and import returns. We used to get excellent returns kept by the railways of movements of goods from station to station. That has been given up. One method of check is to deduct your consumption from your estimate of the harvest return.

Another point that must be taken into account in calculating for surplus that will be obtainable is the method of procurement you are going to adopt. Mr. Ibbotson has really raised that point. The Food Department has to find out what is the gross surplus that would result after deducting the figures of estimated consumption from the figure of the produce of the harvest and then try to estimate from that what is the likely amount that will actually come into the market. There was an investigation into this by the Rice Marketing committee some years ago. They found that about one third of the produce of the harvest is retained by the cultivator. That will give a reasonable idea of what will come into the market on ordinary course of trade. If you want more then you must go to the villages and get it and then you can get a good deal more.

Hon. ble Sir Mr Saadulla (Assam) Recommendation No 78 relates to conditions in Upper India and does not take into account the different dates of harvest in the Eastern regions. As I mentioned yesterday our highest rice crop is harvested between the 15th December and 15th January. In November our crops are in the field and there is no harvest. Therefore it would be worse than useless to fix dates on an all India basis. My own view is that it should be left to the provinces to decide the dates on which stocks should be taken.

The next recommendation is No 79. I would draw attention in this connection to page 98 of the report. From the remarks there it is obvious that it would be futile to adhere to any basic plan however scientific the formula may be when it is admitted that all the figures are conjectural. I had better read that sentence from the report itself. 'It is possible to estimate what consumption might be but the whole matter is conjectural to the very highest degree.'

Yet having made this admission, it is recommended (80) that under the new formula normal consumption requirements should be taken as the average of estimated harvests of all the food grains over a period of five years ending 31st March 1942 plus/minus the average imports/exports of the same period. Surpluses and deficits should be calculated on the basis of normal consumption thus determined compared with the estimates of the forthcoming year's/half year's production of all food grain. Now Sir this formula will work very hardly at least on Assam for as I mentioned yesterday the population of Assam has risen from March 1941 to March 1943 by at least 10 lakhs of people. Therefore if you have got to arrive at a normal consumption figure now on the population basis of the province before 31st March 1942 you will be doing a great injustice to Assam as the normal consumption requirements of the province itself will be grossly underestimated. Moreover we admit that however imperfect the figures may be if we are to feed the total population of India there should be some sort of a plan. We are willing to concede that this plan has been evolved by the Central Government but there are certain defects in carrying out that basic plan. From last year's experience I can say that the Centre assumes the role of a dictator and asked Assam in the third week of March 1943 to ship 8 lakhs rounds of rice to Madras. When we demurred we heard nothing about it. Then in the last week of April we get another telegram ordering to send 5 lakhs.

Bengal. These ukases are issued from the Centre without the least consultation with the provinces. It won't do to carry out the basic plan if you force the provinces to accept a date in which they cannot procure. For example, if Assam is asked to export before the 15th of April, it will be impossible. I think if we are asked to export according to the basic plan and according to the new formula that has been evolved, say, by the 15th of June, we will be in a position to carry out the orders of the Centre. But if we are asked to find out a very large quantity and to hand it over at a particular date earlier than the 15th of June, it will be next to impossible for the Assam Government to implement its commitment.

As regards recommendation 81, we have nothing to say. As regards recommendation 91, I find that b(1) says: "The provinces must be prepared to accept the allocation proposed by the Centre."

If the allocation, as I have just now mentioned, follows a time-table which is fixed after consultation with the provinces, there would not be much difficulty, but the next sentence creates some misgivings in our minds. It runs: "In making the allocations, the Centre shall have regard to the reasonable requirements of each deficit unit." I think it is understood that as the requirements of every province have been taken into account and the basic plan has been evolved thereafter, therefore the normal consumption figures of specific provinces are not mentioned here. But as I have already shown, if we are to arrive at a figure of normal consumption on an average of the past five years ending March 1942, it will be very inequitable to Assam indeed. It cannot truly represent the requirement for consumption of the people now living within the province of Assam. I, therefore, lodge an emphatic protest on behalf of Assam that before this formula recommended in recommendation 80 is adopted by the Centre, the population figures, however conjectural they may be, should be obtained from Assam and Assam's domestic requirements should be calculated on that basis.

Mr. Gorwala (Bombay): Sir, in assessing recommendation 91, this Conference, I think, ought to take into account the genesis of the proposal. I will take you back a little into the unfortunate past history. The principal point which wrecked the basic plan was that the Centre kept on saying to the provinces "You must produce so much" and the provinces kept on saying "We cannot". Now the Committee did not desire that position to arise again: hence this proposal, which, I submit, is the fairest that can possibly be made for everybody. What does the proposal say? It says:

"If after full discussion there is still difference of opinion between the Centre and the Provinces, the decision of an expert arbitration Committee shall be accepted as final by both the Centre and the Provinces."

Now, I fail to see how any reasonable person can possibly object to this. Whatever your facts and figures, you can put them before this Arbitration Committee, the decision of which will be binding and final on both the parties. As to population going up, there is no reason why a province should not urge that. In almost every province in India the population does go up: it may go up higher for a year or two because of temporary reasons in one or two provinces more than in others. But generally between the decennial censuses population goes up in almost every province.

Then, the general idea of the formula is that it shall, as far as possible, try to place all provinces on an equal footing. It takes into account what your production is, what your consumption is and what your exports have been over a period of five years. Some provinces cannot simply say: We have not got a revenue system and therefore we cannot say what our production is. For years and years they have been making guesses as to production and surely there is no reason at this stage to come forward and say that all the guesses they have made throughout these years, assisted by their Depts. of Agriculture and the expert knowledge of experienced Revenue officers, must now be set aside. Let us face the problem sensibly. We cannot have a formula that would satisfy everybody: you cannot attain perfection, but this is the best

proach that we can as reasonable men make to a difficult problem. It has been stated in the report in several places that the Food Department must endeavour to get all facts and go off continuously revising their figures and obtaining information about the production in each single province. It must be on doing this all the time. Please do not adopt the attitude that because we cannot get a perfect formula, therefore you will not adopt a reasonable one. I would urge that the whole of this Conference approve in the interests of the best relations between the Centre and the Provinces all the proposals that have been put forward in this section.

Sir Geoffrey Buntin (Central Provinces) Sir, may I say that our Provincial Government is not in favour of the interpolation of any Expert Committee between the Supreme Government and itself. They have no objection to the Government of India consulting any body of experts they may wish to choose or select for the purpose but we feel that the final responsibility must be with the Supreme Government and that a definite order can come only from that Government. We do not think that a matter of this kind is one which can possibly be open to any arbitration. The hegnumug of clause (a) says after full discussion on. If after a full discussion, and it is really a full discussion between the Food Department, the Government of India and the Provincial Governments, an agreement cannot be reached then I am sure our own Provincial Government will accept the decision of the Government of India rather than the decision of my Expert Committee. It is far better to owe allegiance to the Government to whom responsibility belongs than leave it to any Committee.

Mr Ansorge The Bihar Government associates itself with the C. P. in that matter.

Mr Jha (Orissa) We feel that there was one flaw in the argument of Mr. Jorwal. The point is urged that we have been having these figures for years and years and why should we say now that our figures of production are not reliable. Our position is that the production figures that have been reported for so many years past were not reported with any aim at accuracy. They were more or less routine reports. But the figures that you want now are for finding out the marketable surplus of the province. It may be that a certain set of figures are all right for certain unimportant purposes but they may not be of any help for a vital purpose, namely to find out what is the surplus of each province. Therefore I do not accept that argument. Another thing is that we are looking at it from the wrong point of view. Do we make a fetish of a formula? What is it that the Government of India wish to find out? They want to find out what is the surplus of the various provinces and what are their deficits? They want to balance the requirements of the deficit provinces. It will therefore be wrong to insist on a particular formula. And we have not got reliable import figures. Therefore we have not got any basis on which we can work that formula even if the Centre says that we must adopt that formula on the basis of certain information which everybody knows to be wrong. You can get a figure but if they are inflated will my provincial procurement machinery or Central procurement machinery be able to get that quantity from the province? It is much better to have figures which are rather conservative than have exaggerated figures of surplus and then at the end of the year find that we are in the soup. As mentioned by Sir G. Buntin the only solution is to sit across the table. The provinces do not want to conceal their surplus. If I may say so there was a good deal of mistrust in the past. We do not want to conceal our surplus. In fact we are only too glad to help. But there is no point in fixing our surplus at say 200,000 tons on the basis of a formula when you know they are wrong.

Captain C. K. Mannsall (Eastern States) I should like to say on behalf of the Eastern States that we associate ourselves with what has been said by the representative of Bihar. The States may possibly provide the figures required by this formula but the figures are not at their disposal. It therefore seems however desirable it may be to have a uniform procedure that it is not practicable possibility. The only thing we can give are figures based on

the experience of the last year or two. These will certainly do. And if each area does this, it seems that the realistic results will be achieved.

Mr. A. W. Ibbotson: May I ask for an assurance from the representatives of the Government of India who are here on two points? The first is whether this proposed formula should be regarded as a basis only for discussion, that is to say, that we are not pursuing unduly the target of exact uniformity. The second is this. The expression used in the recommendations is: "Normal consumption requirements should be taken as the average of the estimated harvests. . . . surplus and deficits should be calculated on the basis of normal consumption thus determined compared with the estimates of the forthcoming year's or half year's production of all food grains". These are the words used in the conclusion. When I spoke before, I was told that that was not the meaning, and that the meaning was the amount of this which would come to the markets. I should like an assurance, if I may, from the representative of the Government of India that the meaning is what I was told when I was speaking before.

The Hon'ble Mr. H. S. Suhrawardy (Bengal): If I am permitted to differ from my neighbours on this point, I should like to say something. In the first place, the "basic plan" should not be confined only to food grains which are classified as rice, wheat, bajra, juwar, or gram or maize. As I pointed out on the last occasion, we import considerable quantities of *dals* and pulses, but this year, the various provinces have so tightened their grip on their export of *dals* and pulses that it has caused a serious situation. If we take only the rice harvest of average years and add to it the net import of rice, this does not represent our total food, because this is supplemented by *dals*, pulses, mustard oil and mustard seeds from outside. The Government of India unfortunately have not paid the slightest attention to that aspect. Every Government has put up a ring round the export of these items, and it is extremely difficult for us to get these things from them, with the result that as they are not affected by the basic plan, the effect on prices is pretty disastrous. Let me give you an example regarding gram from the Punjab. At present gram is sold in the Punjab somewhere about Rs. 8 or Rs. 9 a maund. In Bengal, the Punjab gram is selling at Rs. 20 a maund in the bazaar. The gram has not been supplied to Government yet. It is being exported by private agencies and private merchants who have got to pay as much as Rs. 5,000 per wagon.

Mr. N. M. Buch: There is some misunderstanding about gram. Gram is one of the food grains included in the basic figures. Nobody can export gram from the Punjab except under the basic plan.

The Hon'ble Mr. H. S. Suhrawardy: I am fully aware that so far as gram is concerned, we are expected to get 44,000 tons of gram from the Punjab. But up till now that gram has not been booked and therefore it is in the same position as *dals* or pulses outside the basic plan. At present the gram which is available in the Bengal markets and the gram which is brought in by the Bengali merchant is sold in the bazaar at Rs. 20 a maund. I asked the merchants why they sell at Rs. 20 a maund. Punjab gram which is sold in the Punjab at Rs. 8 or Rs. 9. Their reply is that they have got to pay Rs. 5,000 a wagon. Somebody is making money out of it. The point I was driving at is that: unless items are included in the basic plan, and allowed to be exported, we shall never get them at reasonable prices. As soon as we begin to get gram from the Punjab under the basic plan at Rs. 9 a maund, the price in Bengal will fall from Rs. 20 because we shall put gram on the market at a comparative price. What I am speaking about gram applies to *dal* and pulses, mustard oil and mustard seeds. I want all these to come under the basic plan as well. Now, Sir, a word as to what should be and what should not be the method of arriving at requirements. I am inclined to agree with the recommendations of the committee. It is indeed very generous of the Central Provinces, Orissa and even of Behar to say that they would declare their surplus which they have.

Sir Geoffrey Burton (C P) I do not understand this matter at all. We never said that we would declare our surplus. I explained perfectly well that there are two kinds of surpluses. Gross surplus results from a comparison of the figure you have got available. You have got actual produce estimated from a particular area and the conditions of crops. That is one figure. Then you have got the consumption figure, which is another estimate based upon population and consumption of the people. The difference between these two would presumably be the gross surplus. The next point is how much of that will come to the market. That is real surplus. That, I take it, goes into the basic plan. Am I right, Sir?

The Hon'ble Mr H S Suhrawardy No, Sir.

Sir Geoffrey Burton It is not for you to say. It is for the Government representative to answer my question.

The Hon'ble Mr H S Suhrawardy I know the answer. The Government of India and the various provinces have to arrive at an estimate of the difference between the consumption and production. Thereafter what goes into the basic plan relies upon procurement, which is only possible unless there is satisfactory machinery, and special efforts are made by Government. But, even though there is an expert arbitration committee, the final authority I fear must always be with the Centre. Nobody can deny that position. It would be extremely useful if the Centre was guided by an expert committee whose conclusions would have unimpeachable sanction and will silence criticism. If my friends do not like 'arbitration committee', it might be an advisory committee to advise the Central Government on the basic plan. From that point of view, the hands of the Centre would remain free. If there is any difference between the Centre and a Province, it would be most useful if it could be tested by an expert committee.

Sir Theodore Gregory I think there is some misunderstanding. In the first place, I challenge this Committee to answer the following questions in the negative. I think this formula is an improvement on the formula hitherto proposed and used. That is, point number one. Nobody says it is going to be the last word. In fact the very sentence which follows the technical description of this formula goes on to say that a study of a more appropriate formula should be continuously undertaken by the Food Department. But I say without any fear of contradiction whatever that the proposal in the report contained in paragraph 80 is an improvement on the formula hitherto employed. It is not intended to be the last word. It was quite conscious in our minds that a great deal more study and a great deal more work has got to be put in and then devise a formula better than the one which has hitherto been done. Nevertheless I venture to suggest to the committee that this formula is an immense improvement on the one originally proposed in the Food Department. That is point number one. The next point is this. I maintain in spite of protests of the eastern region or provinces that it is a statistical monstrosity and statistical impossibility to apply different formulae in different parts of the country and add them together and expect to arrive at a rational result. What the Food Department was concerned with was to arrive at an all India solution of the problem of trying to arrive at deficits and surpluses. If every province and if every region is to propose its own formula because it happens to suit local circumstances best you will simply find yourself back again to the position in which the Food Department found itself at the very beginning of its task. Everybody will dispute not only about facts, but about the methods employed.

In answer to Mr Ibbotson I would say perfectly frankly that this formula is intended to cover not the amount coming into the market, but the total output. It seems to me quite impossible to work on any other basis simply because nobody knows to begin with what the amount coming into the market is. It varies from year to year, it varies from province to province. Therefore in asking how much more must you give a particular province or how much you may take away from particular provinces in order to meet the necessities of some other area, surely it is perfectly relevant to take the total output.

merely that particular portion of the output of a particular estimate at a given moment, which might come to the market. I entirely agree with my friend that the amount which is available in the market depends in part upon the procurement machinery which is employed in a particular province or a particular area. It is quite impossible to devise any kind of formula on the assumption that guesses what the available supply is going to be should be taken as the basis for all India distributive system.

Lastly as regards the arbitral procedure suggested in the report, I might say at this stage that when the question was originally discussed, I did in fact as chairman of the committee propose exactly what the various gentlemen on the other side of the table now say they are willing to accept, namely that the Centre should have the last word not only on the subject of allocation, but also on the subject of what a particular province's surplus or deficit was. That met with a good deal of opposition and certainly with no great measure of support. I am surprised, I must confess that at this stage we should be told that the provinces are prepared to accept after discussion the determination of the size of their surplus or their deficit by the Food Department. But if they are prepared to accept it I am quite prepared to abandon the arbitral procedure. If it is the view of this conference that the final determination of the size of the surplus and the size of the deficit should be left to the Central Government I should greatly welcome it.

Hon'ble Mr. Suhrawardy: I do not agree with it because we find that the provinces can always browbeat the Central Government to accept the figures which they put forward. The provinces disagreed with the basic plan and the Central Government had to abandon it. I doubt whether the Central Government have any power or authority over the provinces who can always have it their own way.

Sir T. Gregory: The point is that this formula is not meant to be the very last word. It is an attempt to improve the formula which was admittedly very defective and worked badly. But I would ask this conference to accept that formula on the understanding, which is implied and stated in the report, that the Food Department should try and devise a better formula in the future. We have heard about the need for taking into account the growth of population and the shifting of population. That is true, and if we can arrive at a better formula on the basis of a study of consumption figures and population changes, I would very much welcome it. But that takes time and meanwhile the food distribution of India has to be settled from year to year, from six-monthly period to six-monthly period; and I commend this formula as the best we can do in the circumstances.

Sir C. P. Ramaswami Iyer: To shorten the discussion I propose that this formula be adopted as an expedient for the time being. I welcome this formula in preference to any arbitral procedure, both in the matter of procurement and in the matter of the basic plan, speaking as a lawyer I would certainly say that confronted with a situation like the present and at this juncture the intricacies and procrastinations of an arbitral procedure have to be avoided at all costs. Therefore, whatever may be the resultant difficulties that may ensue from the Food Department of the Government of India taking the responsibility, I would vest the responsibility on the Government of India and trust them to do the best they can. I therefore propose that the formula be accepted.

Mr. Taunton: We wish to make it clear that the surplus that is arrived at by that formula will not be the exportable surplus. It will be the difference between the production on the threshing floor and the consumption in the province. So long as that is understood we will do our best about the export. But we will not accept any one's decision that the whole surplus which goes to the threshing floor is exportable.

Mr. E. C. Ansorge: I think it is great mistake, if I may say so, to discuss food as a whole. We are all trying to get out the biggest surplus that we can. We are trying to find out most accurately what our production is. Whether this

formula is better than the last or might be improved is quite worthless. We want to find out what our production and consumption are, by whatever is the best method and by the best available data in any particular area. And it will only cause friction and bid blood on the part of the provinces that do not get supplies to make faked figures on unreliable data. That is why we cannot accept the formula.

Hon ble Mr. Suhrawardy If any one has a right to object to the formula it is I on behalf of my province where there has been an enormous increase of population and of consumption owing to the influx of refugees and evacuees etc. I hope in the final adjustment this will be taken into account although in the formula itself there is no provision for it.

Sir T. Gregory I would accept that speaking for myself.

Mr. Ramamurthi As for the period I think it should be long enough to give a stable average and on the other hand should not be too long so as to need correction on account of increase of population. I suggest that a period of five years is likely to be out of date and that the suggestion of the Food Committee be accepted with three years substituted for five years.

Mr. Matlar (Indore) I could not get an opportunity to present our case to the Conference and if I am permitted to do so I would like to put in a statement in writing so that our point of view would be placed before you.

Speaking on this particular point I would submit that the decision of the Government of India with regard to the basis plan is revised by their letter dated the 7th August 1943 has in its application to Central India been stated as under:

The revised plan does not provide any quota for the Central India States nor has any surplus from these been taken into account. It is understood that Rewa has considerable surplus of wheat, rice, gram and millets, part of which is expected to be procured before October and the balance after October. For the present no allocation of the surplus has been made except 2000 tons of wheat and 2000 tons of rice to Bengal.

It is clear from this statement that the Government of India regard the Central India States minus Rewa as a self-sufficient group. It is however not clear whether the Government of India regarded that each State in the Central India group is a self-sufficient one or not. Even if the possibility of some of these States being deficit and others being surplus was clear to the Food Department they have however not indicated as to how the surpluses of the surplus States were to be drawn out and made available to the deficit States. I shall take the case of Indore State. We personally explained our deficits to the Unit Director of Food Supplies. He informed us that it was necessary for us to convince the Food Department in regard to our deficits. When I came to Delhi to place our case before the Food Department I was informed that so far as the Food Department was concerned they accept our deficits but we should approach the Hon ble the Resident in Central India for obtaining our requirements. We submitted our case to the Hon ble the Resident and he informed us that very small surpluses have been declared by the reputedly surplus States of Central India and that he had to meet the requirements of British administered areas like Mhow and that there is very little possibility of any substantial quantities being made available to Indore State. We requested our Regional Food Commissioner to pay a visit to Indore and explained our position to him. We met with full sympathy from the Hon ble the Resident, the Regional Food Commissioner and our Unit Director but it became quite apparent to us that there was no possibility of translating this sympathy into results. Sir, if the Food Department wanted to transfer any responsibility in regard to allocation of food grains in Central India to any other authority this should have been made quite clear. We think that the Food Department should also have examined whether the authority to whom the responsibility was being transferred was able to function adequately in the discharge of its duties.

We feel, Sir, that this aspect has received inadequate consideration from the Government of India. I am very glad to note that the Foodgrains Policy Committee has now clearly stated in Chapter XII (Relation between the Provinces and the States and the Central Government), that it is quite impossible for the Central Government to wash its hands of the situation in a particular part of India, and we hope that in pursuance of this recommendation the Central Government would reconsider its policy in regard to Central India States. If however it is still considered necessary to adhere to this policy then I would submit that the Rewa State which is the only sufficiently surplus state in Central India should not be excluded out of this group, and that the surpluses of the Malwa Prant of Gwalior should after meeting the requirements of the Gwalior State be utilised for meeting the deficits of this group.

R. B. S. V. Kanungo (Central India): Sir, intimately connected with this question of food supply to Indore is the question of meeting the deficits of administered areas, especially of Mhow, in Central India. We are perhaps in a less happy situation, for, this administered area, being a non-producing area, depends entirely upon the surrounding States for its food supply. Before the control was applied, 40 per cent. of cereals in Mhow used to come from the Indore State, 40 per cent. from the neighbouring Gwalior State and 20 per cent. from Dhar. We have just heard from the Indore representative that Indore itself is in the deficit and I think that the fact is now being recognised that Indore's food position is critical. Therefore, we, in this administered area, cannot look up to this State for the 40 per cent. supply. The other 40 per cent. which we used to get from the neighbouring parts of the Gwalior State has been denied to us by the Basic plan itself. We have, therefore, to look to the Central Government for feeding us either from the Punjab or from other Provinces or surplus States. Fortunately the Food Department allotted us in May 1,000 tons of which however only about 800 tons were actually supplied and that has kept us going up till now. We are now facing again a situation in which, if the Central Government do not come to our rescue, the food position in this administered area might soon become precarious. For, as I have just explained to you, Sir, we cannot get anything from Indore or from our friendly neighbour Gwalior and the small surplus from Dhar or other Malwa States is not sufficient to feed our people and to meet the several calls from the many other neighbouring deficit areas.

Coming now to the Basic Plan, might I observe that I entirely agree with the C. P. representative that we should not base our Basic Plan on the arithmetical surplus arrived at by deducting the requirements of the cultivators from the total produce for, as he says, we cannot expect to get all of this on the market. It has been said that this should be possible by proper procurement. But an aspect like this of the food problem can perhaps be better appreciated and solved by a study of the actual conditions in a small State or area. For example, I give you an instance of a State which has an arithmetical surplus of Juwar of about 200 tons but which it says it is impossible to secure for the simple reason that this small surplus is spread over in hands of a large number of cultivators in undetectable small quantities. In these days of scarcity and panic cultivators are prone to keep more than what they actually need and it is well nigh impossible to prevent small quantities of extra foodgrains being kept undetected by each and every cultivator. The total of such stock would, however, be considerable and in any working plan, due allowance must be made of such invisible and inaccessible surpluses. It is most important that the surpluses taken into account in a Basic Plan must represent the surpluses which the Provinces and States can really procure and supply to the deficit States. I have emphasised this point because we depend upon the surpluses of others and we wish that these surpluses should be agreed upon beforehand by the surplus Provinces or States concerned, if we are not to witness again the unfortunate experience of the past of having to depend upon mere paper surpluses. Therefore, I say that when surpluses are allotted under this plan from any State or Province, let the surpluses be such which the Provinces or States concerned have or have been persuaded to acknowledge beforehand, so that the deficit areas like

could depend upon getting them That is the essence of the success of my Basic Plan

I do hope that the recommendations of the committee regarding import of sufficient quantities of food stuffs would be given the attention it deserves Sir J P Ramaswami has stressed upon the need of considering the whole of India as one economic unit and of dividing the total surplus of the country 'per capita' so that every one may have some food and there may be no starvation cases as in Bengal But before anything like this can be done successfully, it is important to see that the total quantity of food supply is really sufficient For what we want is not that people may be kept living somehow on low rations as in Travancore and Cochin where, as Sir C P Ramaswami has himself said, people are losing all power of resistance, but that people get sufficient quantity of food to keep them in a fit condition, especially in the present times, when we want them to be brave and to be able to resist all attacks even from the enemy

The Hon'ble Sir G H Hidayatullah (Sind) Sir, I support the report of the committee I understand that this formula is not the last word of wisdom It could be improved in the light of future experience and I support this formula for the present, because if there is any difference between the provinces and the Centre it will be referred to the Expert Committee, and the decision of that Committee will be final This will inspire confidence in the provinces that they are not merely obeying the dictum of the Central Government The total output, consumption, surplus—everything—will be examined by the Expert Committee Therefore I support this wholeheartedly because it will inspire confidence in the minds of the people of the provinces that their figures have been scrutinized by an expert committee

Mr Riwade (Gwalior) Sir, may I call your attention to the remarks made by Mr Matkar Malwa is only a part of the Gwalior State and it cannot be decided whether it is surplus or deficit after its separation from the Gwalior State We have to judge whether Gwalior is a surplus or deficit unit as a whole Malwa itself may be a surplus area but if it is detached from us, our northern districts would starve There is no likelihood of our getting any foodgrains from anywhere Last year our rice deficit was 6,000 tons We never got a single grain from anywhere So, I have got up only to prevent my case being defeated by default

R B S V Kanungo (Central India) Our point is that foodgrains must be distributed on regional basis When you make the surplus available, let not that surplus go hundreds of miles away and other surplus come to the neighbouring areas from great distances Surely if India is considered as a whole for the purpose of distribution, the basic plan could be revised to meet deficits of the northern detached districts of Gwalior Nothing should come in the way of making adjustments like that instead of making these adjustments which go against the very spirit of the basic plan

Chairman I would like to know from the Conference definitely as to whether they want this arbitration committee or not The responsibility ultimately is that of the Centre There is no getting away from that fact but the point at issue here is whether the provinces and states are desirous of this committee or not On that issue I would like to take the votes of members by provinces and states

Mr C G Matkar (Indore) So far as States are concerned the composition and functions of the Committee have not been clearly stated We would like to get a better idea about this committee before we are in a position to give our votes for or against it

Sir Theodore Gregory I ought to explain that during the proceedings of the committee itself it was originally proposed that the same arbitral procedure should be applied to the States as was proposed in the case of the provinces to which the official representative of the States violently objected the why no definite formula has been made out with regard to to be adopted in the case of the states is, if I may say so

offered to put forward themselves. It was to be decided by discussion between the States and the appropriate department of the Government of India. My own view is that the most desirable procedure would be an identical one.

Mr. E. C. Ansorge (Bihar): Who would be the experts to sit on this committee?

Chairman: It is stated in the report itself.

Sir Theodore Gregory: I am afraid that the corrigendum to page 96 of the Report has not been properly circulated. The Committee is as follows:—

“We suggest that the Vice-Chairman of the Imperial Council of Agricultural Research, the Director of Agricultural Production, and a non-official expert in the foodgrain under dispute, but from a province not concerned, would form a strong and independent committee.”

Mr. A. H. Dracup (Delhi): Does the composition of the Tribunal apply when the Central Government itself is a party?

Sir Theodore Gregory: The reasons why we made those suggestions were simply because the Vice-Chairman of the Imperial Council of Agricultural Research and the Director of Agricultural Production were not connected with the Food Department. They are officials of the Government of India but they are not bound by any dicta of the Food Department.

Sir G. Burton: In the corrigendum to sub-para. 3 of chapter 12 (page 123) may take what the second and third sentences are intended to mean. The figure of production is not a matter of deficit or surplus; and it is not clear what divergence there can be about for figures of production, which are based on land records statistics.

Sir Theodore Gregory: What was intended was this and Mr. Gorwala will bear me out. If the Centre said that a certain province was a deficit or a surplus by so many thousands, what was to happen if the province disputed the absolute size of the figures? We never took into account the point raised by Mr. Ibbotson that the subject of discussion would be the marketable surplus available at any particular moment of time.

Sir G. Burton: That raises the whole question of the means of procurement that you are going to use. If you are not going to use anything which amounts to procurement, but you are merely going to wait for the ordinary trade to produce it, it is simple. The Government of India have not been asking for a surplus of that kind but for a surplus far in excess of any such figure. That figure required special efforts to obtain supplies far beyond the ordinary normal and expected arrivals in the market.

Mr. W. V. Grigson (Hyderabad): From the Hyderabad point of view, we must maintain our constitutional position that we must be the final judge of what surplus we have and what we can export. I have clear instructions from my Government that they are not prepared to resile from that position. That being so I regret to say that we cannot agree to this arbitral committee of Central Government officials. We prefer to stick to the procedure outlined in recommendation No. 93, though, as I said yesterday, we remain fully determined to do as much as we can, to respond to advice or suggestions from the Centre so far as our resources, in our judgment, will permit.

Chairman: You do not want to interpose the Arbitration Committee.

Mr. W. V. Grigson: No. We accept recommendation 91 (b) (ii) and (iii) and we agree to recommendation 91 (b) (i) so far as allocation of such surplus as we place at the Government of India's disposal under the Basic Plan is concerned—we are of course dependent on the Government of India so far as the imports are concerned which we need to make good our deficits of rice, wheat and barley, but we must reserve our right to reduce our exports of other grains to make good any imports that are refused to us. Of the previous recommendation referred to in to-day's Basic Plan discussion we accept Nos. 78 and 81.

while we are prepared to accept the new formula because some formula is necessary as a working basis the new formula appears better than the old, and on the understanding mentioned in the Report that the Central Government will constantly study means of improving the formula. No formula will really help much until we can improve our now purchasable statistics, meanwhile we must be the final judges of our figures and of the exports which we can allow, though we shall always listen to suggestions and advice and do our utmost to co-operate as fully as the need for upholding our constitutional position permits.

Dr M S Mehta (Mewar) I would like to endorse the view of the Hyderabad State.

Mr R W Ibbotson (U P) Where a Province feels any doubt about the personnel of the Arbitration Committee in ordinary cases of arbitration one representative from inside and one from outside can be selected. But we would like to know if the dispute is one between the Provinces and the Government of India, whether the whole committee would not be appointed out of any department of the Government of India.

Sir C P Ramaswami Iyer (Tiravancor) Sir speaking on behalf of two Indian States I must make an appeal to the representative from Hyderabad. If the constitutional position is insisted upon as it is the problem that confronts us would become more and more difficult of solution. Again if the constitutional position is adhered to in logically implementing to the full constitutional independence of an Indian State it becomes necessary whenever there is a dispute that correspondence with the Political Department should go on—and we know what procrastination accompanies that correspondence—The problem will then become more difficult of solution than it has recently been.

After all the position is very clear. We have to get from the surplus provinces and States a certain amount of grain and distribute it equitably among the deficit provinces and States. That can only be done by the Central Government taking all possible powers firstly by suasion and secondly by rather stronger suasion and even more persuasive argument. Unless we are all prepared to rely to that extent on the Government of India there is no point in our coming here and asking the Government of India to solve the problem. The alternative solution would be for each State to bargain with provinces present to arbitral procedure in the best result. Such a procedure would involve the abdication of the Government of India the abdication of every department of the Government of India and dealing with India as if we were a congeries of disconnected units trying to evolve in a dispersed manner a problem which cannot admit of solution except on a unitary basis.

Why I am in favour of preserving constitutional proprieties and inherent constitutional rights if there is no disposition on the part of every unit to combine and submit to central direction we cannot approach the problem right. I have already indicated my objections to arbitration tribunals. I have appeared before many arbitration courts as a lawyer and as an administrator and I know the time the decision takes. This is a matter of starvation. It is a matter of immediate decision in which perhaps we may be unjust to one unit and over generous to another unit. But speedy decision being the essence of the transaction I trust that the Government of India will be trusted even if they have failed us in the past. Some of us have trusted the Government of India and have found that they have not been able to fulfil their promise to us. But I shall adhere to that policy knowing that if they fail us we can at least have somebody to blame openly and definitely.

The Hon ble Sir Chhotu Ram (Punjab) I have not spoken on this subject at all but I agree with Sir C P Ramaswami Iyer. In order to avoid delay it is absolutely essential that a decision should be arrived at as quickly as possible and the decision can be arrived at quickly only if the whole matter of the dispute is left to the decision of the Central Government. Many things have happened which have shaken the faith of the Punjab in the impartiality of the Centre but in spite of that I feel that the balance of advantage is in favour of leaving things to the Centre.

I have no faith in the Arbitration Committee which has been proposed. What is the difference between an Arbitration Committee composed mainly of officers of the Government of India and the Government of India itself? advantage in having the Government as arbitrator is that we can approach Government of India. We can make representations to the Government of India. We can argue with the Government of India. But as soon as you appoint a Committee of Arbitration the responsibility is shifted to that body and the Government of India can always say: 'Well that was the decision of the Arbitration Committee and we had no option but to agree with it.' It is much better to have some loophole for fighting against the Government of India than to have a Committee against the advice of which we shall not be able to say anything.

Chairman: I do not think we need discuss this matter much further. I take it that the balance of argument is against the Arbitration Committee.

Members: No, no, Sir.

Chairman: Well, then, I am prepared to take the vote. From the opinion expressed by the Provinces and States I took it that the balance was against the Arbitration Committee.

Mr. Gorwala (Bombay): Before we take votes, could one speak for a second?

Chairman: Yes.

Mr. Gorwala: Sir, we have been told by various provinces that they are prepared to accept the decision of the Government of India. Now that is an extremely desirable state of affairs. It is the state of affairs which should really prevail and it is the state of affairs which should have prevailed in the past. We are told now by provinces which in the past have vigorously contested the decisions of the Government of India that they are prepared to accept the decisions of the Government of India. What is the reason for this some what odd change? The reason it seems to me is that the decision of the Arbitration Committee will be the decision of a body against which they will not be able to appeal to their people. Various provinces have had experience in dealing with the Government of India very recently with advantage to themselves. Now we must really face facts. Time and again this position has arisen. Time and again you have had Provincial Governments saying to their peoples that they should do this, that and the other when the Government of India desires that they should do various things. Let us once and for all remove the root of all this dispute. Let us place the matter in the hands of a body which will definitely and finally come to a conclusion which both the Government of India and the Provinces must accept. Further we are told that the suggested members of the arbitration committee are servants of the Government of India. If the Government of India desires and the Provinces feel that the Arbitration Committee should consist of somebody else, then that is a matter which they can go into and decide. But I would point out that neither of the officers concerned—the Vice-Chairman of the I. C. A. R., and the Director of Agricultural Production—comes under the Food Department and the independence which departments of the Government of India have shown towards one another is well known to the whole of this assembly. Again, where can you get a better expert in Agriculture than the Vice-Chairman of the I. C. A. R. or the Director of Agricultural Production? It is stated that perhaps a better Arbitration Committee would be representatives of the two parties and an independent non-official. Our idea in the Committee was that representatives of the parties, would be, as it were the lawyers of the parties who would put their case to the Arbitration Committee.

I urge, Sir, if the Conference accepts this it will once and for all remove the main source of dissension and discontent: that if it does not, it will still leave room for Governments which, while they say they agree, can and have in the past brow-beaten the Government of India and can brow-beat them again. I urge very strongly and with great emphasis that this is the proposal which will lead you out of the morass in which you are.

Chairman I will now take the sense of the Conference I would also like to record the votes by Provinces and States First Assam

The Hon ble Sir Mohd Saadulla I submit to this measure You started by asking for co operation You told us that there should be co ordinated effort to save all India Now we find that there is a velvetted mailed fist in you Whoever may be your two experts in the arbitration committee there is the probability of a third representative from another province on that committee who may know nothing about the province that is protesting and from which it may be wanting grain

Chairman The Government of India have not committed themselves to anything I want your view

The Hon ble Sir Mohd Saadulla Under those circumstances it must be the Centre and no Arbitration

Chairman N W F P

The Hon ble Sardar Aurangzeb Khan Centre

Chairman Punjab

The Hon ble Sir Chhotu Ram Centre

Chairman Bengal

The Hon ble Mr H S Suhraurday Arbitration with a rider

Chairman No rider

The Hon ble Mr H S Suhraurday The rider must be in keeping with the position as accepted by Sir Theodore especially with regard to

Mr R H Hutchings Those things will be taken into consideration

The Hon ble Mr H S Suhraurday Then I accept the Arbitration Committee

Hon ble Sir G M Hidayatullah Arbitration

Mr Taunton No

Mr C S Jha I have no instructions I would rather keep neutral

Mr S V Ramamurti No

Sir Geoffrey Burton No

Mr F C Ansorge No

Indian States

Maj Phalka No

Eastern States No

Punjab States Leave it to the centre Not in favour of arbitration

Delhi Province Centre

Ajmer Centre

Baluchistan Centre

Mr Matkar Neutral not prepared to say either way

Bikaner Neutral

Chairman The sense of the meeting is very strongly against the arbitration proposal That is not the decision of the Government of India yet We shall communicate that to you later

Sir Geoffrey Burton Would a compromise—something like an advisory committee—be acceptable?

Chairman That will be considered

Mr S K Keloukar The question might be referred to the States Speaking for Mysore we shall support that the centre must be the final arbiter

Chairman May I now pass on the next item—Procurement—paras 33 35 37 39 41 and 57 of the Report? I would like to know whether the provinces have got to say anything on these various paragraphs of the report

Mr Ibbotson Para 35 We should be grateful for enlightenment as to what is the intention of this enforcement staff Is it a number of touring officers who will go round and persuade Government to do as the Government of India wish or is it a number of Government of India detectives on the small matters of enforcement in towns?

Sir Theodore Gregory: Quite definitely, the first.

Hon'ble Sir Chhotu Ram: So far as procurement is concerned and the part which the Punjab has played in the matter of procurement, I have a good deal to say. To begin with, I will draw the attention of the Conference to pages 12 and 13 of the statement prepared by Sardar Bakley Singh. I will just read a few sentences from that statement:

"First, as to the wheat year 1912-13: the total demand on us for export of wheat was for 900,000 tons; the total calculated exports were 970,000 tons....

During the current year the total demand on us for export of food grains was as follows:—

Wheat	1,000,000 tons	Maize	8,000 tons
Gram	150,000 "	Rice	50,000 "
Millets	200,000 "	Barley	22,000 "

The wheat year is still to run till March next. We have already accounted for over 500,000 tons of wheat exclusive of 110,000 tons of wheat products which deficit provinces are to buy direct from our millers without our intervention. In the case of rice we have exceeded our quota by 65,000 tons. In the case of gram by 10,000 tons, millets by 2,084 tons, maize by 11,766 tons and barley by 5,294 tons. You see, therefore, that in the programme we are already ahead of schedule, and as I have said, we have every hope of doing better than just fulfilling our quota."

Whatever the agency we have employed for procurement, our achievement is worthy of all praise, though that praise should have come from others and not from myself.

I may say just one word about the agency system. I think that provinces should be left free to select what agency they like for procurement. They should not be tied down to any one particular firm, however eminent it may be. Provinces should not be tied down even to a number of firms. It is for them to decide in the light of local conditions what firm or number of firms or what other agencies they would like to make use of for procuring their supplies.

With regard to requisitioning, I will say most emphatically that requisitioning is a most unwelcome process to the Punjab Government; and our dislike for requisitioning has been enhanced by action taken recently by the Government of India in freezing certain stocks which were with banks. That freezing order was most hasty. This conference was to come off within a week of the passing of that order; the Government of India ought to have waited until this conference had met; or in the alternative the Government of India ought to have taken into confidence the Punjab Government. After all one of their representatives had reached Lahore; the Premier was there and it would not have been at all difficult for that representative to have approached the Premier of the Punjab; but he did not do so. Government of India's action was not only hasty; it was unconstitutional and discourteous in the extreme. I have failed to understand the objective which they had in view when they passed that order. After all the Punjab had done more than most other provinces. Is there any reason for the Government of India to be dissatisfied with the actual performance in the way of procurement on the part of the Punjab? I have quoted figures which leave no room for any doubt in the mind of anybody that we have done more than was expected of us. In respect of four or five of the food grains our procurement has exceeded the demand. Even in the matter of wheat, our achievement up to date is more than half the quantity which was demanded for the current year. In what particular respect was the Government of India dissatisfied with the trend of things in the Punjab? I should like to have an answer to this question, and it should be a fair and straight answer. What was the objective which the Government of India had in view? It has been suggested on more than one occasion that the Punjab Government would probably not mind very much any order which may be passed, just or unjust, against dealers or banks. It is true that the Punjab Government is specially considerate so far as the interests of the cultivators are concerned; but from that it should not be inferred that the Punjab Government is not fully alive to the interests of other sections of the population entrusted to its care. We will not allow or tolerate any interference on the part of the central Government with the rights of banks or dealers of our province. It is our duty as much to protect the rights and interests of bankers and dealers as it is our duty to protect the rights of our cultivators and agriculturists. I

ly fail to understand that if this is the state of things at a time when the
nab is doing all that it can be expected of it and even more than can be
ected of it what is going to happen when the Central Government assumes
atorial powers as has been suggested in certain portions of this report. So
edge the strongest possible protest against the procedure which has been
pted by the Government of India in passing this freezing order.

Another amazing thing is that this order has not been applied to stocks in any
er province. I should like to know what is the achievement of other provinces
the matter of procurement—what are the quotas which were assigned to
m and what is the part of those quotas that has been brought forth by culti
tors or dealers in those provinces, and what steps the Governments of those
vinces have taken in order to see that proper progress is made in the matter
procurement. I know the sedulous propaganda that has been carried on by
orant people or interested people against the Punjab Government and against
e Punjab province. But I should like the representatives of the Government
India here to disclose the achievements and performances of other provinces
compared with those of the Punjab.

So far as procurement in the future is concerned I held out an assurance
sterday and I repeat that assurance to day that the Punjab will do anything
hich can be expected of it. We are prepared to help Bengal we are prepared
help Travancore and Cochin only if the Government of India can arrange for
oving the stuff which we are able to procure. We are prepared to go to the
xtent of even tightening our belts within reasonable limits of course in order
be able to help all deficit areas but what we do not propose to stand is any
bitrary exercise of authority on the part of the centre or anybody else.

Hon ble Sir Ghulam Hussain Hidayatullah (Sind) I was happy to hear from
iv Hon ble friend the Minister from the Punjab that he cannot brook my inter
rence on behalf of the centre after only a few minutes back he did agree to
rbitration about surplus and now he says the final word ought not to be with
he Central Government. I do not know how my Hon ble friend is blowing hot
nd cold. He then referred to his achievements. To my mind first he ought to
ave to put the question of price. procurement and rationing are only corollary
o price. (Interruption) Unless there is control of prices the cultivator waits
n the hope that prices may go up. We have tried first control and the natural
orollary was procurement. We have a syndicate of traders and men of business
or rice as well as for wheat and to that syndicate we pay the ordinary com
mission only and they have been procuring for us. Why? Because we have
ntrusted the job to one syndicate and that eliminates all competition. Other
vise if you have a number of purchasers there is competition amongst them to
procure supplies. As regards quota we have already fulfilled more than nearly
wo thirds of our quota of wheat and there is still six months ahead and we hope
o be able to fulfil our promise to the Central Government. As regards rice we
ave given them more than 100 per cent of our quota and we have come recently
o the relief of Bengal also. Why have we succeeded? Because the cultivator
knows we have fixed the price though the position has been rendered awkward
y my Hon ble friend's province the Punjab. When I read the memorandum
of Hon ble Sardar Baldev Singh Minister for Development in the Punjab I
need not criticise most of the figures and the facts are incorrect I should say.

Hon ble Sardar Baldev Singh In what respects? Even as regards the price
of rice?

Hon ble Sir G. H. Hidayatullah We have never charged Rs. 17. They went
to between 14 and 15.

Mr N. M. Buch This is from the official report of Sind Government which
is issued fortnightly. The price of rice charged was Rs. 17.

Hon ble Sir G. H. Hidayatullah Is that the average?

Mr N. M. Buch Not the average. May I make myself clear? Before July
the price charged was Rs. 13 in July it went up to Rs. 17. I have got the official

to see that wagons are available for the movement of Government's stocks as required because this will become of more and more vital importance when the operations of rationing and buying for essential industries and others are carried out

Sir Geoffrey Burton (C P) May I raise a few points about the actual means and methods of procurement contemplated. In para 39 it is said. It is not possible to have a perfectly uniform pattern of procurement machinery in every part of India. I have had the greatest difficulty in discovering what is a really standard form of procurement. In fact I have found the greatest difficulty in discovering what is meant by procurement means in all these recommendations. Taking paragraphs 40 and 41 requisitioning in any form appears to be intended to be almost entirely excluded or if not excluded it is severely frowned on and we come down merely to the process of buying the grain which the cultivator and the merchant is voluntarily willing to bring out and sell. If that is so the thing is easy but why not say so? By what means do the Food Department contemplate that Government should speed up their procurement? During the past two months we have been pressed vehemently by the Food Department from time to time to increase our exports in our quota and we have done so. But we have had and are to use and are being forced to use what practically amounts to requisitioning to get those supplies out and to have the power to requisition always available if required. If the Food Department asks us to force up the pace and to get the grain out more rapidly it must mean going beyond merely buying from the trade or what the cultivator puts out on his own initiation. If we adopt a word especially a word like procurement in our official jargon we must be fair and define exactly what we mean by it. If we mean only buy or purchase let us just use the former word. But the choice method will effect and entirely alter the results of your efforts and therefore affect operation of the Basic Plan. I am sorry to hark back to this point but it does seem to affect very much the enforcement of your Basic Plan. I cannot put my finger at the moment on the paragraph which deals with enforcement unless it is para 10 of chapter 10 of the Report but there is no question of forcing the trade to do anything although we have abandoned all ideas of free trading. There will be serious difficulty in the way of enforcement unless we know what methods you expect us to employ or the methods which you or your expert committee may approve of for the purpose of procurement of the Basic Plan. Till we know we cannot possibly make a reasonable estimate of what can be got out of what is known to be available. Monopoly buying is an ordinary commonplace which we regard that as a matter of course. We have also taken the other two methods into our regular technique that is to say the restriction of movement from area to area and control of transport. But unless you make it known that if you do not work up to the required standard of procurement requisitioning will be resorted to you will not get the quantities required. But for this method we would not have got the quantities we have been able to get during the last 8 or 9 months we have been subjected to

Then I think the view was taken by the Food Department no doubt advised by Finance Department that Government should not lend its own finances because it might cause inflation. We have had to spend a great deal of our money in the course of these operations. We have had to advance money to merchants to get grain for us. Without that the merchants would not have been able to carry on this work. What we want to know is whether the Government of India will undertake to provide the finance for these operations. One suggestion was that the Imperial Bank should take a part in this game but that does not seem to fit in with procurement on Government account. On the other side if we don't get assistance from the Centre it would mean that sooner or later we ourselves would have to go to the market and get the money by issuing Treasury Bills. In either case the money is taken out of possible spenders' hands. It will be far more convenient if the financing

operations could be undertaken by the Government of India instead of being spread out over the provinces. I would ask therefore that this matter of finance might be considered by the Government of India and that we may be told something about it.

Mr. S. V. Ramamurty (Madras): Recommendations 40 and 41 are some what halting in their nature. In Madras we apply requisitioning for three different purposes. We apply it, when necessary, in surplus districts with a view to exporting rice to deficit areas at ceiling prices. In surplus and in moderately deficit areas, we apply it in order to keep local prices at about the same level as the exporting prices in surplus districts and importing prices in moderately deficit districts, and we apply requisitioning in severely deficit areas to even out supplies. Thus you will see that we apply requisitioning mainly for the purpose of enforcing ceiling prices. I find that in the description of the method of ceiling prices in paragraph 12 on page 84 of the report it is stated that under the ceiling price system the Government abstains from purchasing when the price goes above the ceiling price. But we do not abstain. We take what we want by requisitioning. We have however taken measures to see that the requisitioning is kept at a minimum. In the northern part of the Madras Presidency we got all that we wanted without much requisitioning. In the south we felt that we could not get all the quantity we wanted without considerable requisitioning. Therefore I had a Conference of landowners and asked them what was the price at which they would sell. They asked for a fair price based on the increase in the cost of cultivation and the cost of living. We calculated what the price would be and we found that our price for requisitioning was a fair price. In order to make up for errors in calculation and to get the willingness of people to sell, we agreed that a small increase of from 8 to 10 annas a maund of rice should be given in the case of voluntary sale, while the existing ceiling prices continued for requisitioning. These prices will not be increased for a year. This method was introduced last month and my latest reports show that quantities are coming in voluntarily. We find that requisitioning can be systematically applied, though it should be kept at a minimum, provided the conditions for applying the method of ceiling prices are present. The conditions that have been mentioned in the second sub-paragraph of para. 12 are present in the case of Madras. The Government are the sole purchaser of foodgrains for export. In the districts where we apply the ceiling price, there are surpluses for purchase. In moderately deficit districts we have some reserves held by District Co-operative Stores and we can command an effective flow of imports provided transport is available. Our procurement agency is an official one. As our prices are as low as anywhere in India and as the prices have also been accepted by landowners, our market for rice is neither a buyers' market nor a sellers' market but a market that is fair both to the buyer and the seller. I should therefore like to add a third proposition on requisitioning and that is that requisitioning should be systematically applied to the minimum extent necessary when conditions for applying the ceiling method of prices with success are present.

Sir C. P. Ramaswami Aiyar: Travancore and Cochin being both deficit areas, we have determined on being the buyers of all the grain within the State and also the distributors of the grain within the State. Ours is a very special case. I do not desire to state that this is possible in all cases. I fully realise the implications of the remarks contained in paragraphs under discussion.

There is just one aspect of this subject which I want to place before this Conference as a matter within our own experience. We first wanted to utilise the ordinary trade channels. We sought the assistance of the wholesale merchants. Those merchants reappeared under different forms. One group of merchants went to the Diwan of Cochin and stated that I had consented to a certain price and that if he also consented to it, it would be all right. Otherwise he would be under the painful necessity of selling everything to Travancore. Later on they came to Travancore and simply said that Cochin had agreed

to something and asked us if we would agree to the same thing. Now, Mr. Desai and I happened to be very good friends and we compared notes. Both our Govts. were later asked to buy rice from Orissa. The same merchants reappeared there and tried to deal with us on the old basis. We found therefore that there was no point in trusting the wholesale agency and that the Government should be the only wholesale agency and that they should deal with the retail merchants directly. We have found that such results as we have been able to achieve by way of tightening our belts and giving the little relief that was possible have been facilitated by the elimination as far as possible of the wholesaler in favour of the retailer. It may be that conditions are different in different localities and I do not wish to dogmatise. Certain provinces and certain Governments may have benefited by the syndicate system. Others might have been benefited by single firms of philanthropic millionaires. These are possibilities. All that we can say is that so far as we are concerned we found dealings with wholesalers to be a snare and a delusion. Following our example, I should normally have pleaded for a Central Government monopoly but I know that the Central Government themselves have abandoned that point.

Chairman: For the time being.

Sir C. P. Ramaswami Aiyar: I shall qualify my statement accordingly. So far as para. 31 is concerned, I wish to emphasize and re-emphasize the absolute necessity of a central foodgrains reserve and with regard to requisitioning there again the report is not decisive. All we can say is that in an area of about 9 thousand square miles, requisitioning right through has been found possible and is being now operated.

Hon'ble Sir Mohd. Saadulla (Assam): Mr. Chairman, the system of procurement and the agency which the Assam Government has employed has been described in detail from page 53 onwards in the report of the Committee. My point in rising is to get certain points clarified by the Government of India. Assam wants that the Government of India should lay down general principles and after that they should keep their hands off and not interfere in details or intricacies as to how the local Government procures foodgrains either for feeding its own people or for exporting to places where they are needed. An explanation was asked from me by a Government of India official as to why I had no procurement agency in one district of the province of Assam. The Government of India officials, however high they may be, have absolutely no idea of the ins and outs of a provincial administration. The position in certain districts of Assam is hopeless. I shall give an example. In one case the district authorities wanted a consignment of 25 lakhs of maunds of rice to be sent to a district from the surplus areas. We knew that that area is hopelessly in deficit so far as rice is concerned and we have been feeding that area which is in Upper Assam from the granaries from Lower Assam. The quantity demanded seemed preposterous. I had a personal discussion with the district authority and ultimately it was found that 10 lakhs of maunds will be sufficient to feed that area for a year. If I am to be taken to task by the Central officials that I have no procurement agency for buying the stuff from that locality I shall protest with all the emphasis at my command. The Central Government should not interfere in the details. It is the Provincial Government who knows where to buy and when. It is the Provincial Government that must choose the procurement agency and it is they who know how they can manage the work most successfully.

Then again the next question that arises is to what extent the Government of India has interfered or should interfere particularly with regard to ceiling prices. There, again, in my opinion, the Provincial Government is in a far better position than the Central Government and the former should fix these prices. We have started price control and I have got reports that our Government having agent has been able to buy all the requirements to fulfil our commitments to the military at controlled rates. I, therefore, think that as regards prices, the less the Government of India interferes it is better. Then,

to something and asked us if we would agree to the same thing. Now, Mr. Desai and I happened to be very good friends and we compared notes. Both our Govts. were later asked to buy rice from Orissa. The same merchants reappeared there and tried to deal with us on the old basis. We found therefore that there was no point in trusting the wholesale agency and that the Government should be the only wholesale agency and that they should deal with the retail merchants directly. We have found that such results as we have been able to achieve by way of tightening our belts and giving the little relief that was possible have been facilitated by the elimination as far as possible of the wholesaler in favour of the retailer. It may be that conditions are different in different localities and I do not wish to dogmatise. Certain provinces and certain Governments may have benefited by the syndicate system. Others might have been benefited by single firms of philanthropic millionaires. These are possibilities. All that we can say is that so far as we are concerned we found dealings with wholesalers to be a snare and a delusion. Following our example, I should normally have pleaded for a Central Government monopoly but I know that the Central Government themselves have abandoned that point.

Chairman: For the time being.

Sir C. P. Ramaswami Aiyar: I shall qualify my statement accordingly. So far as para. 81 is concerned, I wish to emphasize and re-emphasize the absolute necessity of a central foodgrains reserve and with regard to requisitioning there again the report is not decisive. All we can say is that in an area of about 9 thousand square miles, requisitioning right through has been found possible and is being now operated.

Hon'ble Sir Mohd. Saadulla (Assam): Mr. Chairman, the system of procurement and the agency which the Assam Government has employed has been described in detail from page 53 onwards in the report of the Committee. My point in rising is to get certain points clarified by the Government of India. Assam wants that the Government of India should lay down general principles and after that they should keep their hands off and not interfere in details or intricacies as to how the local Government procures foodgrains either for feeding its own people or for exporting to places where they are needed. An explanation was asked from me by a Government of India official as to why I had no procurement agency in one district of the province of Assam. The Government of India officials, however high they may be, have absolutely no idea of the ins and outs of a provincial administration. The position in certain districts of Assam is hopeless. I shall give an example. In one case the district authorities wanted a consignment of 25 lakhs of maunds of rice to be sent to a district from the surplus areas. We knew that that area is hopelessly in deficit so far as rice is concerned and we have been feeding that area which is in Upper Assam from the granaries from Lower Assam. The quantity demanded seemed preposterous. I had a personal discussion with the district authority and ultimately it was found that 10 lakhs of maunds will be sufficient to feed that area for a year. If I am to be taken to task by the Central officials that I have no procurement agency for buying the stuff from that locality I shall protest with all the emphasis at my command. The Central Government should not interfere in the details. It is the Provincial Government who knows where to buy and when. It is the Provincial Government that must choose the procurement agency and it is they who know how they can manage the work most successfully.

Then again the next question that arises is to what extent the Government of India has interfered or should interfere particularly with regard to ceiling prices. There, again, in my opinion, the Provincial Government is in a far better position than the Central Government and the former should fix these prices. We have started price control and I have got reports that our Government buying agent has been able to buy all the requirements to fulfil our commitments to the military at controlled rates. I, therefore, think that as regards prices, the less the Government of India interferes it is better. Then,

again, the Government of India should not insist on a policy that the best procurement will be the production of the biggest surplus. Once the basic plan is settled and the normal consumption of a province is found out in any manner that is convenient, the province should be left to procure the allotment that is expected of it by the basic plan. The Government of India should not demand after the basic plan has been fulfilled that a province has got some more surplus. That is a position which will not be tolerated by the provinces. Then, again, the question of financial assistance to a poor province like Assam looms very large. Up till now we have bought off from the cultivator the requirements of the basic plan by floating loans. Will not be better for the Centre to come to the aid of such provinces by ways and means advanced? The poverty of the province of Assam in normal years may be judged by this one simple fact that the provincial income of an area of about 77,000 sq. miles is less than the municipal income of a single city like Calcutta. Therefore, the procurement of sufficient supplies to meet the allotment of the basic plan has put a very great strain upon the very exiguous income of the Provincial Government. I appeal to the Central Government that to such a poor province as Assam, who have gone all out to increased war effort the Central Government should give financial aid. Lastly, I come to the recommendation No. 87 which concerns the Foodgrains Control Order. So far as that order is concerned, if I remember aright, it was passed to meet the conditions prevailing in the Punjab. If an All-India order is passed, provinces must be given powers to frame additional rules to suit local conditions; otherwise the operation of such an All-India order will be harmful to them.

(After Lunch.)

The Hon'ble Mr. H. S. Suhrawardy (Bengal): I feel that I have not sufficiently emphasised the fact that procurement should be extended to other foodgrains than those that have been mentioned in the report. In fact, I want to urge that procurement should apply to all such commodities in regard to which there is any restriction of movement from one province to another. For instance, we should have a procurement policy for dals as well and of commodities like mustard seeds and mustard oil or groundnuts. Therefore whenever there is restriction of movement, there ought to be a plan for procurement and for supplies to other provinces that need these commodities. I must confess as I pointed out in my opening statement that I was a little bit disappointed in regard to the manner in which this procurement plan has been dealt with in the report, because with the superior knowledge and wisdom and information at the disposal of the Government of India, they might have tried to place before us an ideal system of procurement for the guidance of the various provinces. I believe there will be two systems, one applicable to surplus provinces and another applicable to deficit provinces, because the same system which has been applicable to the surplus province, we will find it difficult to apply to a deficit province. Take the old procurement system in Bengal. We have tried to follow the plan approved by you, and we have placed restrictions on private traders, who may not move foodgrains beyond an area, and yet our procurement has not been as successful as we could have asked. We have, however, been able to get something substantial. Otherwise we would have been in great difficulties. I may state particularly with regard to deficit provinces, procurement must be supported by requisitioning of a very high order. In our case, we thought of making a difference of Rs. 2 between trade and requisition price. Just before leaving, I have considered it necessary to put the requisition price Rs. 4 below the trading price in order to make the agriculturists put their stocks on the market. I think it must also be emphasised that the provinces should play and set up a satisfactory procurement administration and make a determined effort to procure foodgrains which they are expected to supply to deficit provinces. If they are reluctant, if they do not accept the arbitration or the orders of the Centre, in that case, what is the remedy? It has been stated, there will be certain remedial measures applied.

That is far too vague. I should like to suggest a remedy which has been applied with success and which succeeded in awakening the conscience of my neighbours and made them realise that they ought to come of their own good will to the rescue of Bengal, and that is free trade. I entirely agree with my friend from C P that in the matter of finance, the Government of India should come to our assistance instead of leaving the provincial Governments to find the finance. So far as the new purchasing scheme is concerned, we have tried to find the finance by arrangement with the Imperial Bank, but the terms which we expect to receive from the Government of India are likely to be more favourable.

The Premier of Assam asserted a principle which I think it would be most dangerous to follow. He said that if he secured sufficient foodgrains according to the basic plan then the Centre had no right to ask him to declare surpluses if there were any.

The Hon ble Sir Muhammad Saadullah I never made that assertion, and I protest once more.

The Hon ble Mr H S Suhrawardy It is clear that the provincial Governments should as they find surpluses declare them of their own accord. But if they do not do so, I think there should be some power in the Centre to force them to declare their surpluses. Let me give you an example not for purposes of recrimination, but as a statement of what has actually happened. In the second basic plan the Punjab though a rice surplus area did not declare a rice surplus. But subsequently, voluntarily of their own accord they have played up and gave much of their rice to the defence services and to Bengal. But a thing like that may always happen, namely, that surpluses which may be in existence may not be declared and it may be found necessary to point out to them that the mardis or trading centres are full of commodities and therefore they ought to declare their surplus. Being a purchasing province and also interested in the procurement by other provinces, I would suggest that a uniform system should be set up for payment. We find difficulties because some places are prepared to accept the price against railway receipts while other provinces or States want us to pay them in advance. Another difficulty we feel is in the matter of inspection. We are called upon to inspect at the various points of delivery. For instance in the Punjab we are required to inspect at 250 different points of delivery. It is impossible for Bengal to set up such an organisation. Similarly the Punjab States want inspection at various points. We find this difficult and there should be some simplification. Further certain Punjab States declare surpluses from time to time, but the allotment rests with the Government of India and it is only after a considerable lapse of time that the allotment is made. What I suggest is this. If there is a small surplus like 500 tons, discretion may be left to the Punjab States or to the Resident of the Punjab States or the provincial government or any one else to make that allotment to any one they consider necessary rather than wait for the Government of India to make the allotment and waste precious time.

Rajyaratna S V Mukerjee On behalf of the Cutch State I may say that the Government proposals in Chapter VI more or less follow what we have been doing for the last eight months in our State. We ourselves eliminate any kind of competition by appointing a grain distributing syndicate and under the guidance of this syndicate purchases are made by private agencies who represent about 18 mercantile organisations and these agencies purchase on our behalf. By this means we entirely eliminate competition and at the same time we have been able to do this without requisitioning the local produce. Requisitioning has not been felt necessary because we have eliminated monopoly. The matter in which I should like to have the help of the Centre is in regard to transport. The transport problem in Cutch is twofold. It is not only with regard to rail ways but it is also with regard to sea transport. There are our cargo boats and recently at a critical period our boats were requisitioned by Government elsewhere. I should like to make it clear that the question of dealing with

cargoes should be our responsibility and we should not be interfered with in any way. That is a very important problem because without transport facilities of any kind and with no assurance or guarantee from the Central Government that these transport facilities will remain available in the manner in which we want them, it will be impossible for us to take advantage of the quotas that may be allotted to us. Without any facilities of this kind, the quotas are practically useless. In the meantime, if the Centre merely gives us quotas and at the same time gives no facilities for transport, we are left with all the pernicious features of the free trade which has been condemned so far as we are concerned, we find ourselves the weaker party in collective bargaining and we are always losing all the time. Cutch has suffered on account of these free trade conditions from its powerful neighbours. We fix our prices at a level which are disregarded later on in view of the powerful neighbours. We have been given 3,000 tons of wheat which was found to be bad and so bad indeed that other 1,500 tons of this consignment which were quite unfit for human consumption had to be exchanged through the kind offices of the Centre and the Sind Government, to exchange it for good Sind wheat and transfer the bad wheat to Sind flour mills to make such use as they can. In this way, we are completely at the mercy of supplying units. In that spirit we expect the Honourable Member to help us effectively with control and with enforcement plans. The enforcement proposals are not very clearly laid down in the way we desire. We are looking forward hopefully to the unfoldment of these enforcement proposals and I hope they will be such as to be helpful to States like Cutch. That State is particularly unfortunate. The last 20 years have been a period of famine, droughts and deep economic strain. The cultivable area has been reduced from 800,000 acres to 500,000 acres. And it is a heavy task to protect even this area from the ravages of the sea on the one hand and the sand on the other. In these circumstances I trust the Government of India will get a move-on. I sincerely hope and trust that you will be long in your post and the foodgrains policy will be a long-term policy and that we shall no longer see the spectacle of a perplexed and well-meaning Centre trying to help but unwilling to strike and provinces trying to profit out of the miseries of their neighbours.

Khan Bahadur-Mian Abdul Aziz: Sir, I represent the Punjab States except Bahawalpur. The figures I submit will probably be of some interest to you. 80,000 tons of foodgrains were allotted as the target figure for the Punjab States. The Centre took upon itself to dispose of 60 per cent. of this tonnage in the very beginning and that 60 per cent. was allocated to individual States. The Punjab States had sent, excluding 10,000 maunds of wheat from Khairpur, 29,000 tons of wheat and other foodgrains including 7,500 tons of gram, wheat 11,000, maize 1,691, barley 3,863, rice 3,378. This was up to the 10th July, subsequently foodgrains and pulses to the extent of 16,853 tons have been sent to deficit areas by the Punjab States. My point is that there has not been a single complaint of non-compliance with the allocation by the Centre and that you will find, as I have said often before, nothing but the fullest co-operation only if you will let us manage our resources. But there are certain difficulties. For instance, apart from civil supplies the military bought from a certain State 1,400 tons and paid 90 per cent. of cash. They have been able to remove only 500 odd tons; the rest is still in the State and the godown is locked up. The new crop is coming and accommodation, storage and banking difficulties are staring us in the face. Similarly with regard to 800 tons to be sent from Kapurthala to Bombay. I make no complaint, but my instructions are very definite that in future when purchasers from deficit areas want to enter into a bargain with any State, whatever you allot we will not question but it must be a condition that if they do not take the stocks away by a certain date it cannot be stored indefinitely.

It has been suggested,—I do not say it is correct,—that these purchasing provinces are living in the hope that with the coming of controlled prices they may be able to drive a better bargain. Our purchasing agents will be in great

difficulty if they purchase at a certain price and later on the controlled price is lower. Procurement depends on prices and if adverse action is taken between now and the 20th November which is the sowing time, the position in the Punjab may become very difficult if the wheat available for seed goes underground. I am one of the few who know what happened in 1921—the first year when wheat was imported from Australia. We had then to buy seed at Rs. 10 a maund which when the crop was gathered was sold at Rs. 4 per maund; and I urge on the Government of India that whatever their decision may be about price control, they should not do it at a time when in the Punjab the people may have to buy their seed because the thing will not be available and your "Grow More Food" campaign will be jeopardised if the seed itself is not available.

The Punjab States are doing their very best. We meet twice a year in a conference at which the Resident presides, and we are a happy family. I can show even that we are going beyond the quotas fixed. We have now offered an additional quota of 500 tons of wheat, 300 tons of paddy, 744 tons of rice; Patiala has offered 444 tons of additional millets; Nabha has offered 700 tons. So that there is no lack of good-will in the Punjab States. If the procurement plan fails it is because somehow or other the conveying agency does not seem to function as quickly as it might. It is also certain that those who are storing and taking care of stocks are in a very difficult position because if their stocks are not taken a part will go into the black market. I may point out again that those who purchase should clear the stocks quickly and there will be no difficulty in the Punjab States as regards quota. The parental relation still exists between the ruler and the ruled and the rulers want that as far as possible there should be no interference in their internal arrangements because they are willing to abide by any reasonable arrangements that may be made by the Centre.

Another important thing is that people in the Punjab States are intermingled with the Punjab proper. They are the same people and subject to the same influences and no one can say that they do not respond to whatever is being urged in favour of the grower in the Punjab. Whether you have requisitioning or rationing or price control, what the Punjab Ministers say also represents the feelings of the grower and the general public in the States. The States are suffering terribly for want of coal and kerosene. The maize crop is in a bad condition because floods have played havoc with it. I say once again that you must trust the Punjab States and there will then be no want of co-operation.

Mr. Matkar (Indore). Before speaking on the subject of procurement I will say a few words with regard to the deficit character of the State I represent. Firstly, I may point out that the proportion of the urban population in the State to the total population is as high as 25 per cent., which is not found anywhere else in India. Secondly, one of the biggest and most populous districts of the State, the Nimar District, has been deficit since 1929, when the settlement took place, and that finds a place in the settlement report itself. Thirdly, even at the time of the settlement in 1929 the Settlement Officer came to the conclusion that on the basis of a population of just over 11 lakhs the State was barely sufficient in its foodgrain requirements. Today the population stands at about 16 lakhs. Though there has been a considerable increase in the acreage under food crops, this is not nearly proportionate to the increase in the population. Our difficulties were also greatly aggravated owing to the serious damage to the kharif crops of last year—I mean the Fasli year 1352. The annawari valuation of the crop in the 5 districts of the State varied from 7 to 9 annas as against a normal crop of 13 annas. The proportion of the acreage under kharif food crops to the total acreage under food crops is roughly about 66 per cent. Therefore the damage to the kharif crop has very greatly affected the food supply position of the State.

Coming to the question of allotment, our total deficit for this year has worked out at 18,500 tons. This was, I may point out, worked out on the basis

of our being able to procure all surpluses with the cultivators and utilising them for consumption in the urban and deficit areas. Against our requirement we have so far been given allotment to the extent of just over 3,000 tons, out of which we have been able to purchase only about 2,500 tons, leaving a gap of over 15,000 tons still to be filled.

I do not wish to dilate on this point further. I would like only to state here that knowing the deficit character of our State as we did, we started as far back as 1941 taking measures for conserving our produce. We banned export of all foodgrains and we started on a systematic policy of procurement of stocks from the rural areas. This we were trying to do in two or three ways: We try to lay our hands on the maximum surplus. We have been trying to keep our eyes on the stocks from the time the stocks leave the fields of the cultivators. We are aiming at a complete control over movement of foodgrains even from the cultivator's threshing door to the Mundi. No movement is expected to take place without the knowledge of the officers and agents that are working for us. We always try to take physical possession of grain stocks. We tried to work in our system through the agency of our merchants. But we wanted to control the agent's profits. The agents were unwilling to co-operate with us on the basis of controlled profits, and we did not hesitate to take the whole matter into our own hands and the State furnished as much as 80 lakhs of rupees for the purchase of grains through official agency.

Sir, I am very glad to state that the recommendations of the Foodgrains Policy Committee are more or less on the same lines on which we have been working for the last year and a half. The Economic Adviser to the Government of India paid us the compliment of a visit sometime ago and we explained our schemes to him. At that time he was pleased to remark that we were working in the right direction. I am glad to see today that the lines that we have been pursuing so far are more or less the same lines on which the recommendations of the Foodgrains Policy Committee are based. And without dilating on the various recommendations, I can say that we give our fullest support to them and assure the Government of India of our fullest co-operation in implementing them.

Sir F. Anderson (Bahawalpur): Para. 37 of the summary of the Report recommends that purchasing in each area should be entrusted to one purchasing agent. Theoretically this may be accepted as desirable, but it is inexpedient in practice. This opinion is based on our own experience during the past few months. In April last we appointed one agent at the request of the Central Government but local opinion was so opposed to this monopoly system that additional agents had to be appointed. Monopoly buying is equivalent to requisitioning.

We have a large scheme of land sales in hand and as the public cannot hoard gold, they are anxious to invest their savings in land and to do so they have to sell their surplus foodgrains. Hoarding is not in force in Bahawalpur and on the contrary purchases are well ahead of despatches.

Bahawalpur is very intimately connected with the Punjab. About 90 per cent. of the colonists are Punjabis and they rightly expect to receive in Bahawalpur the same treatment as is received by their brethren in the Punjab. Bahawalpur therefore supports the opinion given in para. (c), page 21 of the Hon'ble Sardar Baldev Singh's statement.

As regards allocations, it is submitted that once a definite allocation is given to a definite administration, that quota should be adhered to rigidly. Owing to frequent alterations made recently in the past few months, we were unable to despatch all the quantities purchased with the result that we had a considerable quantity of wheat in our hands when the Central Government dropped financial responsibility on 14th August 1943.

The Hon'ble Sir Edward Benthall: On behalf of the War Transport Department I should perhaps just say a word on paragraph 38 which Mr. Anson suggested should be emphasised. From the point of view of the department,

there is no difficulty whatsoever about using transport facilities to ensure priority for official procurement as against buyers on their own account. I need not go into the history of the arrangements made for obtaining food priority over the last 18 months or so, such, for instance, as the super priority given during the free trade period in the eastern provinces. I will merely mention what the position is today.

Foodgrains are placed in a category in the railway priority classification lists such as ordinarily to ensure their free movement.

Now if you want to secure priority for Government purchases all you have to do is to go to the Regional Controllers of Priorities and arrange for the necessary priority. Governments have the power to ask for that and if you will go to the Regional Controllers of Priorities in Bombay, Lahore, Calcutta, Madras—wherever the Centre may be—they will help you. If there is any difficulty you can also go to Mr. Phillips, the Controller of Railway Priorities in Delhi. In this way arrangements can be made to move Government purchases in priority to purchases by ordinary people. And it suits the War Transport Department very much that you should make that approach because the more foodgrains can move according to programme instead of haphazard the more easy it is for us to move them. I can therefore assure you of the co-operation of the department and of the Regional Controllers of Priorities in implementing the policy set forth in recommendation No. 38.

Chairman I take it we have completed our discussion of this particular item. We go on now to the next item—Rationing.

Mr. I. H. Fauntton (Bombay) Sir, in the remarks which I was allowed to make yesterday I said that the Bombay Government had accepted the principal recommendations in the report and one of those items I was thinking of then is definitely this paragraph relating to rationing because we did as a matter of fact take the lead in India in introducing rationing in Bombay City. We have since extended it to the Bombay Suburban District and also to the city of Poona. We are on the point of extending it to Ahmedabad and three other cities with a population of one hundred thousand or so. But there is one sentence to which I must refer. And that is the one which says that the scale of rationing should not be allowed to fall below one lb. per head per day.

Now on the present scale of supplies that have been made available to Bombay it is quite impossible to maintain that standard. Actually it was aimed at in Bombay City when we first began and I think the actual ration works out to 93 lbs. per head per day. But in Poona it is only $\frac{3}{4}$ lb. per day. Nobody will say that that is enough to maintain a hard working man in health and strength and it did cause discontent and dissatisfaction when people discovered how very little foodgrains they were going to get under the rationing scheme. Therefore I want to emphasize that if this recommendation is accepted by this Conference and the Government of India it will mean a considerable increase in the supplies that are required by the deficit provinces and that fact should be borne in mind when considering in particular this paragraph No. 46.

Chairman What other province would like to speak?

Mr. R. W. Ibbotson (U. P.) I think I must repeat some of what I said yesterday because some of your experts did not hear it.

We in the U. P. are running a scheme of rationing for the poorer classes of the population in all our towns which I think I can conveniently call a provisioning scheme rather than a rationing scheme and if I may use that term it may prevent confusion.

We have bought a very large amount of grain—about 250,000 tons which we have in stock. We have issued in all our large towns ration cards to the poorer 40 per cent. as a general minimum of the population. We have set up Government shops with our grain. These shops are selling the grain to the 40 per cent. of the poorer classes of the population at our rates which are slightly subsidised in the matter of straight grains and are rather heavily subsidised in the matter of a mixed atta which will enable the very poor man who can only earn his daily wages and go and buy his $\frac{1}{2}$ seer atta and make his chapattis to be certain to get something to eat.

A member: At what price?

Mr. Ibbotson: At $3\frac{1}{2}$ seers to the rupee at the moment. We are hoping to make the price a good deal less.

This scheme has been working now for some months and is going very smoothly indeed. The queue as I said has been killed and the people are entirely content to come and draw this provision. They are not prevented, if they want to, from going and buying from the open market. The open market is to a very considerable extent competing with us and we hope by gradually reducing our prices to bring the open market with us. That in effect is what we are doing at present. We have enough grain to do it with and we feel that by this method we can keep our people fed and that we can without any doubt at all get a greater offtake for the deficit provinces than we could by legislative rationing, and it is the reasons for that that I wish to explain now because I hope we may be allowed to carry on this scheme.

The gross production in the U. P. over the last five years of the seven food-grains of wheat, gram, barley, bajra, jowar, maize and rice has been 9.2 million tons per year. With a reduction of 10 per cent. for seed this comes to 8.3 million tons and this amount has got to feed not only the people but the cattle, and the cattle must have some grain if they are to maintain agricultural production to the very highest state. But I will leave it, because I cannot give you figures—this large amount which is needed to feed the cattle and the rats and the losses before the grain gets from the threshing to the market. But I think it might be another 15 per cent.

Anyhow, there are 55 million people in the United Provinces and if we give 30 per cent. of them as being under 12 and taking only half rations, that comes down to 48 million adults.

I do not wish to burden anyone's mental arithmetic when I say that the average amount available per person per year is $1\frac{1}{6}$ of a ton—8 million tons for 48 million adults, and $1\frac{1}{6}$ of a ton is about 371 lbs.

The result is that the overall average is very little more than one pound per adult per day.

In the towns that we have been rationing, we have found that the offtake was very considerably less than one pound per adult per day, as I understand they have also found this in Bombay. The point I wish to make is this.

If the people are free to buy what they can—they are very largely rationed by prices at present—take less than a pound per person per day, then you get no advantage of an increased offtake for export by rationing them at one pound or 12 chs. per person per day.

And we feel that without the shock of legislation, without all the dragooning that will be necessary if we could go for total rationing, we shall get a greater offtake for the deficit provinces than we should if we set out to prescribe one pound per person per day, or even 12 chs. and to provide that amount in our shops in the towns for feeding them.

The scheme on which we are working leaves in our opinion a steady system of suction on the villages and draws the food in. It is known to everyone with Indian experience that the better classes of the population in towns do as a general habit get their food from their connections in the villages without going through all the gamut of the bania. They do take in stocks from their relatives in the villages and their own zemindaries in the villages, and they do put them in the town gradually during the year. Our figures support that very strongly.

The school and college populations in our towns all go out at the week end and they bring in their week's supply. There is, in fact, if you do not interfere with the present general economics of the country, a steady suction in the villages by the towns that brings in food which we believe would go underground if we attempted to vet every cart and every pound of it as it came in. All our towns, and there are five of over $\frac{1}{4}$ million and another eight of over a lakh (which it is proposed should be rationed in the first instance)—lying as islands in areas of production.

We made an attempt last March and April to control prices by law and to direct the carts which come in naturally to the markets in the town to specific destinations in order that the grain might be taken over and distributed at controlled prices at controlled shops. It was as you know a complete failure and the whole supplies of grain went underground. The towns were left with only a day or two's stock and the attempt had to be called off just as the attempt to supply Calcutta had to give way to free trade and as we understand the shock of legislation has recently driven rice underground in Bengal.

In Russia some years ago they attempted in pursuit of their political economy to force the villages to feed the towns. The villages resisted and the Government persisted and in the end, if my information is right, the villages sowed only what they expected to eat themselves. This was taken to the towns and some 2 million people died of starvation. Well I feel that there is some danger of us getting started on that road and if we once get started on it we shall find it very difficult to turn back. We are not prepared—I do not think that we are prepared—in British India to go to the extent of dragging the villages to a position in which we bring them to starvation.

I do feel without the slightest doubt—and so do all the officers on the spot in the United Provinces—that our present methods of preserving a state of suction from the villages which brings the grain in will in the end produce a greater outtake for Bengal than if we say that we are going to buy and provide rations to 12 chattraks for the whole of the population of these large towns. Our stocks at present of about 250 000 tons would not be sufficient—we should have to go out into the markets and buy up grain to last till the end of the season and we might do it at the cost of rising prices.

As a proof of our conviction of what I say I am prepared now if the Government of India—in case we have been more generous than we can afford to—will give us a written undertaking to return it in kind if we have been too generous. I am prepared now to start off a supply of an additional 20 000 tons of wheat to Bengal, not as a bribe but as the honest difference between what we feel we can spare at this moment if we can continue our scheme and the amount which we feel we can spare if we are forced into full rationing. We are ready to send that as soon as ever we can get the transport.

There is a further point and that is enforcement. The enforcement of full rationing in Bombay has involved a very large staff. The enforcement of rationing in England has involved something which I do not think in India we can even contemplate and the moment we get this legislation on every point and this insistence on no one selling but ourselves we shall get the black market.

I do not believe that one in a thousand of the population want more than a pound except perhaps heavy manual labour—those who get fat do not get fat on wheat and rice they get fat on ghee and pulses and dal and so forth. I think it is true that they do not want more than their pound or thereabouts and I doubt if we can save anything by rationing. The enforcement staff to begin with would be enormously expensive it would lead to abuses and misuses. It is difficult enough in the absence of overheads on district staff as it is at present. With our present scheme we have appointed 4 I said yesterday a large number of procurement officers and a number of ration officers that is distribution officers in the towns. We should have to multiply that staff many times if we are to succeed in enforcing total rationing. These 3 reasons to start with amongst the producing areas and we do not think that the honest staff to do that is available even if we have the money to pay for it. We therefore do plead that we will do all we can. We have sent a great deal more to the deficit provinces already than was expected in the beginning, and we shall continue sending all that we possibly can but we do feel that we can send more if you will allow us to continue on this scheme than we shall ever send if you force us into total rationing.

Hon'ble Sir Chhotu Ram. I should support Mr. Ibbotson in the views he has expressed. I do not want to repeat the arguments he has put forward. I

need only say that every word that has fallen from his lips has my entire support. If it is intended that surplus provinces should be able to fulfil their obligations under the basic plan, rationing should not be attempted at all in surplus provinces. To me the thing seems so stupid that I do not think any arguments are needed to oppose this scheme of rationing. Under a scheme of rationing, we shall have to purchase large stocks for towns which are really not consumed under normal conditions. We have made calculations in respect of only seven towns, and we find that if we introduce rationing their requirements will go up to very nearly 300,000 tons. If they are left to themselves, perhaps, only half this quantity will do. So, unless it is intended to curtail supplies to Bengal and other deficit areas, the best thing would be not to talk of rationing in respect of surplus areas.

Another difficulty that I see so far as the Punjab is concerned is the finding of personnel. We are finding it extremely difficult to get hold of any educated person even for posts which do not insist upon a very high educational qualification. Most of the educated young men have joined the army; and it is difficult to man even the present services with the available number of educated people.

There is one argument to which my attention has been drawn, that unless we put forth the maximum amount of effort for rationing of at least large Indian towns the opinion of the Allied nations will be antagonised. The Allied nations at a distance of 7,000 to 10,000 miles cannot possibly form an accurate idea of conditions prevailing in India. In those countries, perhaps the population is much more intelligent, is much better disciplined and has perhaps a much higher sense of civic duty. Those conditions do not prevail here. Another factor which seems to have escaped attention is that in England £50 millions are being spent to subsidise bread alone. The total amount of subsidy spent in England on all kinds of foodstuffs is over £100 millions. Is the Government of India prepared to subsidise any of the provinces to anything like this extent? Impossible. You simply cannot do it. Therefore, when we talk of opinion in Allied countries, we should also take note of the immensely varying conditions which we find here and in the Allied countries. If we attempt rationing another result will follow. That result will be that the time, energy and attention of our present staff will have to be diverted from tasks which are of much greater importance for fighting inflation, than this problem of rationing. We are trying to use the services of our officers to persuade people to save as much as they can and to invest their savings to the best advantage of themselves and to the best advantage of the country. If it is intended that all their efforts should cease or suffer a very large diminution, rationing may be thought of. Otherwise, rationing will be as miserable a failure as price control was. We do not know where to find the staff. We do not know why we should be asked to subject the population of the Punjab to entirely uncalled for harassment and inconvenience. There will be corruption; there will be harassment and there will at the same time be a huge increase of the staff which will have to be employed to detect breaches of conditions and to punish where breaches are proved.

Then what about the huge organisation which will have to be set up to take a census of the population, to issue ration cards and then to supervise so that nothing wrong happens in the licensed shops. Why should we incur all this expenditure which can be very easily avoided. I fail to understand. Why has thought of rationing in surplus provinces does not seem to have taken any of these difficulties.

Sir Geoffrey Burton (C. P.): Sir, I am afraid I have to rise to ask yet another question. Our own experience is the same as the experience of the Provinces. But can we be informed what are the advantages from the point of view of introducing rationing in isolated towns in the midst of rural areas? Only yesterday I stated what our position is in the Central Provinces. We have two big towns, one with a population of about 1 lakh and the other about 2 lakhs. Both these towns are right in the middle of a huge rural area.

area and our problem is what possible advantage there can be by shutting them out and excluding them from organised sources of supply at present and having to take the responsibility of their supply on ourselves? Our present position is exactly the same as the United Provinces that is to say we leave it to the population to get through their normal sources of supply and for those who cannot, we make provision. We undertake to supply the town all that it needs for reasonable consumption but we limit individual supplies to one lb per head. All this is done on a family or individual card system. But it amounts only to provisioning and not rationing. For example the present system does not preclude portions of the population which can get supplies from doing so. If you adopt rationing I take it you will have to prevent everybody from getting supplies from outside. Otherwise a man may be drawing supplies from two sources or more. So our real problem is what will be gained by going over to this system of strict rationing in surplus provinces for towns in the midst of the rural area. If we could know exactly what is the object of the arrangement we should very much appreciate it. I mentioned the extreme difficulty of finding the requisite staff. Our estimate of the staff required even for Nagpur with a population of 400 000 is something in the neighbourhood of 800. For Jabulpur we shall have to have an almost equal number. If as the Hon ble Minister said—the Food Department of the Punjab cannot produce that personnel we certainly cannot do so with the huge establishment, which we require for meeting our existing obligations for food and other supply. If it has to be done we are prepared. As I told you yesterday we will actually have got and are getting the staff trained for both these towns but Government have not yet come to a final decision as to whether and when to introduce rationing. I was trying to get all the enlightenment that I could as to what was the real object in view. I would suggest that Mr Kirby might speak and put us wise as to what he wants us to do and how to do it in the special area especially Jabulpur which I imagine presents an almost unique problem with its wide spread lay out of city civil station factories barracks and semi rural bastis. In addition the existence of a military ration stand is a great complication which we have not yet discussed how to allow for. I may mention that without our being satisfied as to what is really being aimed at it will be difficult to gain the support of public opinion which at present is being influenced and is expressing itself against strict rationing. I would like to make clear that I do not follow Mr Ibbotson in his assumption that strict individual card rationing cannot if made fully effective result in any saving in consumption and that therefore it cannot help to conserve supplies in a surplus area for export to a deficit area.

Mr W H Kirby Mr Chairman and Gentlemen May I say that I look upon it as an unqualified honour to be asked to come to day and say a few words about food rationing? I am very conscious of the fact that I am a visitor to this country and I am very conscious of the fact that I know little about your immense problems. I have been in India on this occasion for six months and travelled quite a lot here nearly 15 000 miles and in the hot weather. So I am able to bring some practical knowledge to bear on your food difficulties.

There are one or two points which I must answer straightaway. First of all, it is rather extraordinary that, after listening to the various speakers at this Conference one is becoming to get a very clear indication of the feelings of you all. The whole of the trend of the speeches and thought are now crystallising into two very definite shapes. First are those that have and others are those that have not. And not once this afternoon have the have nots had an opportunity of expressing their views on rationing, but all the haves—those that are blessed to have as much as they can and more than they really want—it is they who have been putting up objections to bringing in the food rationing. But let me hasten to pay a tribute to Mr Ibbotson gentlemen in connection with what they are doing. Therefore let me not appear to be

one or two definite statements that have been made. The first was that of making a comparison between England and this vast country. When you look at the map and see our little England where we were left entirely alone at one part of this war with the knowledge that Hitler and all his forces were going to concentrate on blotting out all our food supplies, and thereby bringing our country to a condition of famine, starvation and collapse—to compare that country with this vast country is, if I may say so, quite unfair. Then there is the question of figures. It is Abraham Lincoln who said that if you have all the figures, they do not lie. The statement was made that 50 millions sterling is the subsidy to our food at home. That figure is entirely incorrect; it is 125 millions. £125,000,000 is spent by the British treasury. For what? To enable every one of the people in England to have a fair share, and an equal share of all essential foods and at a controlled price,—and that price is no more than 20 per cent. above the 1938 index.

How fortunate everyone of us here would be if we could say that the price of essential foodstuffs in India was only 20 per cent. above 1938 index! There was another figure stated of 800 millions as having been spent. That figure is wrong by 200 millions.

May I state the case for food rationing in India on behalf of the "have-nots", because the "haves"—can so obviously look after themselves? India is passing through a serious crisis. It has been said on all sides that in this crisis the whole Indian problem should only be looked upon as an all-India problem. If that is so, everybody must be a partner. You, gentlemen who are the "haves", should really go and spend a few weeks or months in the deficit areas, and then probably you will forgive me if I am somewhat definite about some of the things I shall say.

When the Government of India acted very promptly in carrying out the recommendation of the Food Grains Policy Committee and set up a course of lectures and food conferences in Bombay I had the honour of speaking and coming into close contact with over 100 senior I. C. S and other officials from all the Provinces and States. They all came as critics, they all went as enthusiasts. A lot of loose talk has taken place regarding the vast army of officials and what they are going to do if you bring in food control and rationing. The actual material cost will have to be balanced against confidence of one's own people. That is very difficult to measure because it is immeasurable. If you have confidence, then you can get anything with your people. If the people have lost confidence in the administration, then all the worst things imaginable may happen.

The purchase price to the Government of Bombay for the confidence of over 2 million people is exactly one rupee per person per year. I know the Bombay scheme is "Rolls Royce" as compared with other forms of administrative travel in this country. But it does not mean that the standard Bombay has been able to set up for very many reasons, is the standard for the rest of the country.

It is perfectly true to say that there are two phases of rationing. The first is the phase of control; second is hard rationing when control breaks down. I am sure I am speaking on behalf of the Food Department in stating that they do not and would not expect every administration to jump in and put in a "Rolls Royce" when something else would do the job. Therefore, we must look at the subject from the point of view of the two phases. Firstly the food control phase, and secondly hard rationing. At the food control stage, what do you do? You are controlling, as far as you possibly can, the amount of foodstuffs coming into a town or area that would give the inhabitants of that area enough. If this is objected to by so many people, it is probably because they are afraid of the big and complicated job they have got to undertake, and I can understand that. (Some Members: No no.) It has been stated to me that it is a case of being afraid of tackling the job because you have not got the tools to do the job. I have had that feeling myself—I was in charge of London's food administration for nearly three years. Sometimes I had a very, very uncomfortable feeling not so much because I had not got sufficient

officers round me, but what will happen when administration breaks down and the machine stops. So fear does come into this problem, because it is vast and unknown.

To come down to hard details, what is the object of food rationing? It is to ensure that everybody throughout India has a claim to an equal share of essential foods. In the administration of food rationing, you have to have an efficient system of organisation to measure how much you want and how much you can release for those other unfortunate brethren who are starving in the other provinces. That, by and large, is the object of food rationing. There are many details which I won't worry you with because every one of your officers who came down to the conferences in Bombay was given a printed list of the 10 main points in connection with rationing. But I have during the last few hours put down a few further points because they have arisen at various times in this conference. The first I put down is: When a country is in the midst of a serious crisis,—as India is now in relation to food—it is illogical that, through no fault of their own, the population of certain provinces and States are at starvation level, whilst others are surrounded by ample food. Besides being illogical, such a state is anti-social, non-ethical and a possible breeding ground of civil disorder. The inauguration of a rationing scheme enables the authority to calculate with mathematical accuracy the exact requirements of the staple foods for the population and is in a position to give a true statistical statement that will show, accurately how much surplus foodgrains can be released for the deficit areas.

We have heard from Sir C. P. Ramaswami Aiyar, time after time that in this Conference we should be realistic. We have heard from Mr. Suhrawardy about the people in Bengal and if Bombay had not conserved its stocks by introducing rationing where would it be today. You, Mr. Chairman, emphasized in your opening remarks that one must be realistic and action must be taken to solve our present difficulties.

Since the population of all large cities—especially those situated on the coastline—are unable to grow food but are occupied in manufacturing the material needs of the country side, each set of the community is helpless without the aid of the other.

This is primary economics. People who live in the countryside produce the food, and those who live in the towns produce goods such as cloth, etc., which the folk in the countryside want. Therefore this cannot be treated as an isolated problem. As the Chairman said, the problem is an all India one.

To the objection raised by some authorities in connection with the inauguration of a complicated piece of administrative machine and the necessity to engage a large staff the answer is—the more employment that can be given to a country's citizens the better for every one concerned.

The answer is surely that the more employment that you can give to your people based on economic lines the better and that is the aim of every country in the world today. I do not know what your unemployment problem is, but I do know that when Mr. Suhrawardy's officers put in an advertisement in the papers for a certain number of clerks of the matriculation standard and above there were, I am told, as many as 12 thousand applications for those few hundred jobs in the rationing offices.

Since food rationing instils confidence into the people an Authority is the sole judge of the amount it is prepared to pay for securing such confidence.

I repeat against that the price the authorities have to pay for such confidence in Bombay is one rupee per person per year.

Provided the Authority has the requisite skilled staff and the right outlook no difficulties should be encountered in devising an efficient rationing scheme to meet the extent of the particular problem.

Obviously some cities have much greater problems than others. I am thinking of Calcutta and Bombay with thousands of people roof and dozens in a room. That is a problem of your measured, and solved only by yourselves.

an efficient food control scheme is in operation, it is not only the person which feels a sense of security and confidence but the authority itself, it is the possessor of an instrument that can be made to cover several forms of Consumer goods control, other than Food, provided the 'Food' is kept separate.

We have heard of the amount of colossal work which will be required to regulate the people in the houses and work a rationing scheme. Well, gentlemen, is it not time that something more is done to the biggest towns, to them on a proper basis for this purpose? Forgive me if I appear to be presumptuous. I have had something to do with town planning. I have been connected with local authorities and nearly every branch of a local authority wants to spend money on getting information. Lot of money is spent in this way, whereas if they all joined together and collected the information in one station, it would save lot of money to the taxpayers. Take for example the planning of streets, the number of houses, number of people who live in them, and the obtaining of information in connection with electric light, sewage, water, etc., and all the amenities of modern life that are required, as well as the enumeration and checking up of the inhabitants. If all these were done under a system of Local Government co-ordination, the people would be eternally grateful to you.

Briefly one may say that rationing reduces consumption, ensures equitable distribution, prevents a 'run' on a commodity in short supply, prevents hoarding, prevents profiteering, releases surplus quantities for deficit areas, enables an Authority to build up reserves on a mathematically correct basis.

I should like to enlarge on one aspect of this. I have heard it said that you cannot afford to have the stocks to back the ration. Why should it be necessary to have huge stocks before you start the rationing? I know that once in London we got down to a few week's stock of one essential food. I am perfectly sure that one month's supply of a rationed foodgrain in this country is ample, provided you know what you have coming forward,—and what is required I can say without fear of contradiction that when you have brought into operation a really efficient food control and rationing scheme, the whole pitch of food administration is raised to a higher level of efficiency, because the people will not wait when their necessities of life are concerned.

As I have said, rationing controls prices, it gives employment, it raises the efficiency of administration. It restores confidence in the people and all-suspicious of the hardly pressed cities that their more fortunate brethren are not exploiting a national calamity.

I do not know whether you think I am not a realist. I know that everybody feels that rationing is some form of punishment. It is not. It is a good administrative act. I also know that everybody considers that his stomach is a special stomach, and wants to get something more for it. I do want to tell you something more from an administrative point of view. When you got a rationing scheme operating not one of the rationed commodities taken up a hundred per cent. In Bombay, the offtake for most cereals no more than 75 per cent. I believe it has crept up to 85 per cent. and it will probably stay at a maximum of 90 per cent. Therefore the administrator always has anything from 10 to 15 per cent. in hand from which he can draw. Having done the job of large scale food administration myself for over 2½ years, I know that there are people who will set the and the whole of their operations to defeat a food administration. Therefore the administrator must have accurate statistical records of the "offtake" of food and of what we call the "whole in the net"—and close it up. It is wrong to think that for this purpose you must have got to get your of detectives and all the rest of it. You have only got to get your and other orders correctly drafted and if you get a few heavy sent people who offend, it will be an object lesson to the others. I hope I have not spoken too much or too long. I cannot think that those who have

control surplus food stocks will do anything whatsoever to prevent a single grain remaining in their hands when they can send it to their unfortunate brethren who are starving in their thousands in the deficit areas

C P Ramaswami Aiyar (Travancore) Very unfortunately I was not here. Opinions were expressed against any system of rationing. But as one has had some experience of trying a system without rationing and thereafter giving rations let me elucidate my position. It was not without considerable thinking and some hesitation that we arrived in Travancore at the decision to start on urban rationing and next to proceed with general rationing throughout the State which will come into force I hope by the 1st of November or at least by the 1st of December. One difficulty may best be understood by stating that the question is not between a deficit area like Travancore and the areas outside but within the State of Travancore itself. I want to make it quite clear that within the State of Travancore there are surplus areas. I think we have our fair proportion of profiteers and hoarders and I say that there are three areas in Travancore where grain is produced largely in surplus. One in the extreme south one in the extreme north and one near the centre. The argument was adduced by every one in the surplus areas that it was very unfair when there was a prospect of a good harvest that it should be taken away from them in order to feed others who would in any case have got less and it required considerable persuasion and I am afraid some coercion in order that that habit of mind should be dealt with. The main objections were those who indulged most largely in hoarding and profiteering. I had statistics regarding the actual calculation of the harvest returns of a certain number of years. People went about saying that one field was undated another field did not get manure as the owner was away on military service and so on. When I asked for returns I found that one third of the previous year's actual returns was given by some people. We took hold of the most influential persons who we thought had given wrong returns and had them detained under the Defence of Travancore Regulations. Of those detained one was the brother of the late Chief Secretary of my Government. The result was that the people at large felt that the Government were not respectors of persons. It was realised that hoarding would not pay and would not be tolerated. These very persons have repented and made good and they are now associated as members of the Committee of procurement and distribution in their respective areas and they very gladly took up the responsibility of working as representatives along with the legislators and others. I am mentioning that for the purpose of showing that surplus areas naturally were most reluctant to send away the grain from under their very eyes from their very granaries to the deficit areas within the State and considerable amount of persuasion and something more than persuasion were needed for that purpose. Comparing small things with big things I feel no doubt that surplus areas would be loath to give up stocks and could feel that it could be a thousand pities that though other areas not so blessed by nature should be suffering their own sufferings should be assimilated with the sufferings of those neighbours. But let me repeat what I said yesterday that this problem of procurement this problem of supply of food materials is not going to be solved if surplus areas think that they are rivals of the deficit areas. If surplus provinces think that they are the antagonists of the deficit areas if the surplus States and provinces take one line and the deficit States and provinces take the other line this problem will not be solved. Unless the spirit of sacrifice is widespread and universal these conferences are of no avail. There might be hundred ways in which a surplus province can block all efforts to extract the reserves from those provinces. There might be hundred ways in which deficit provinces will over estimate their requirements and ask for more than they are otherwise legitimately entitled to. The only way to prevent the deficit provinces from over estimating their requirements and the only way to enable the surplus provinces to come into line is to have one uniform line which I mentioned yesterday by saying. Let us take India as a whole we want

entity in the world entities of the future: we want it to be regarded political whole, if possible. Whether that is possible or not is in the gods. For the industrial and agricultural expansion of the future let us put our destiny by treating India at least as an economic unit and economic whole. That is a possibility which will recede into distance a spirit of give and take becomes universal. It is not by the resolution passed at this Conference but by the determination of the people for one man. This result can come about only with rationing pursued in the spirit.

Hon'ble Sardar Mohd. Aurangzeb Khan (N. W. F. P.): Sir, I must admit that I have to court the misfortune of being opposed in this room on the subject of rationing by such big guns as the Hon'ble Sir C. P. Ramaswami Indian fame and the Hon'ble Mr. Kirby of international fame because I am only a parochial fellow from far off Frontier. I confess that I do not belong to a province which can boast for itself to be a province of haves and I confess that I do not belong to a province which can say that it is one of have-nots. I am more or less a neutral, as they say, because as far as I am concerned, I have given 30,000 tons to the rest of India and as far as I am concerned, I have made a bill to the tune of one lakh maunds to my province of the Punjab. Therefore, I am neither the buyer nor the seller in the true sense of the word. Therefore, I submit that as far as my province is concerned, I totally oppose rationing. My point is that if the object of the Conference like this is to provide food to the deficit provinces, this problem can be solved without having resort to rationing in India. In this Conference I have heard two comparisons—England versus India and Travancore and Cochin versus India.

Sir C. P. Ramaswamy: I am too humble and too modest to pit myself against India or even to pit myself against my friend.

The Hon'ble Sardar Mohd. Aurangzeb Khan: What I wanted to submit was to the effect that I bow to that great genius from southern India as my leader who has been talking about Travancore and Cochin and from that particular place he has drawn a general conclusion and has tried to apply that conclusion of Travancore and Cochin to the rest of India. Therefore, to him Cochin and Travancore is a miniature India and I refuse to take them as such.

Now, as far as England is concerned, it is decidedly a small country and it can easily be rationed out. India is a vast country as has been pointed out by the Hon'ble Sir Chhotu Ram Chaudhury from the Punjab. England is the home of educated people and disciplined people. I must confess India is a land of uneducated people. Then, in England there are no uncertain incomes, everybody knows how his budget stands. India is a land of uncertain and precarious incomes and budgets. Then, England consists of big towns or small towns with practically no villages. India is a sub-continent of villages. And it is rural area which is surplus in India. When I heard the peroration of my friend from South India in which he mentioned the spirit of sacrifice and he wanted India to be a Utopia, I admired him, but may I also say: Let us pray that England with Europe also becomes one happy land. If you cannot make the whole of Europe one Europe, how can you make the whole of India which is a sub-continent like Europe as one whole?

Sir C. P. Ramaswamy: Europe is at war: India is not.

Hon'ble Sardar Mohd. Aurangzeb Khan: I wish my friend could see that India is also having a sort of civil war, but I do not want to digress into politics. Now, Sir, on economic grounds I am against rationing. It will create alarm in those areas which are doing their bit for the deficit areas and undermine public confidence by giving rise to the belief that supplies are short when they are not so in fact. It will lead to hoarding and the haves shall not be able to give as much to deficit provinces and have-nots. Then by adopting rationing we are asked to incur a grave danger of undermining our existing favourable position in order to produce a problematical and very uncertain result.

On one point I beg to submit that I agree with my Hon'ble leader Sir C. P. Ramaswamy, namely, that the one and one curse of India at the present moment

profiteering. If you can put stop to the profiteering, India would be a land of peace and of plenty. It is the profiteers that you have to chase. It is the profiteers that you have to hunt out. We do not want a huge rationing system for this huge country. We had our recruitments for the last four or five years. You will require a huge administration to have this rationing system in India and probably it will take three or four years to fashion out your rationing scheme as far as India is concerned. Therefore, I strongly oppose the introduction of the rationing system in India at the present juncture.

Mr. Ansorge (Bihar): I had hoped that we should have the pleasure of hearing Mr. Kirby a little later in this discussion. I feel that if he had spoken a little later he would not have been constrained to divide the provinces into the haves and the have-nots and the surplus and the deficit. I confess that having heard the speakers who followed him, I almost feel inclined to become of his opinion,—but it is not correct. The problem is not so simple. It is not a question of surplus and deficit provinces. It is a question of surplus and deficit areas. There are in my own province both surplus areas and deficit areas, which produce other kinds of crops or are industrial. We are not in the position of the U. P. which, if I understood Mr. Ibbotson rightly, has all its towns in centres of production. That is most certainly not the case in Bihar. There are districts which do not produce a sufficiency of food grains and there are towns in those districts. I have been instructed to support the view of the U. P. as regards total rationing, but, as I said yesterday, we are prepared to take up total rationing in large towns with a population of over a-lakh such as Jamshedpur or Patna, where it is necessary. Where I feel considerable hesitation is in the further recommendation that this should be progressively extended. Take the towns in deficit areas. We have got to supply the whole of those areas. By some means or other those areas have to be supplied with food. We might do it by rationing the whole area but the rationing of rural areas is difficult if not impossible. We might do it by controlling transport and by licensing traders and thus getting sufficient grains into those areas to feed the people—but if we are doing that, we can do it equally for the towns in those areas. There is nothing to be gained by rationing the towns, so far as I can see, in a deficit area. All that it will lead to will be that the necessitous people from the villages will pour into towns and increase our difficulties. What is the gain of trying to feed a town in a deficit area which has to be supplied itself with grain?

Now, Sir, turning to small towns in a surplus area, they are normally fed to a large extent by carts coming in with grains, and unless you control these carts you are going to lose all that grain. The villagers will get frightened for some time to come and will not bring in the grain and sell it. How are we going to meet this difficulty? I therefore see great difficulty in rationing small towns in surplus areas or in rationing small towns in deficit areas. I see the advantage of rationing, towns like Jamshedpur. I can see a still more necessity for rationing towns like Bombay or Calcutta. But I see great difficulty in seeing how you are going to ration successfully in areas where there is surplus or still more those situated in deficit areas.

With regard to Mr. Kirby's remarks, I should like to say that I have no fear of tackling the job. We have in fact already made progress in introducing rationing in all the towns with a population of 100,000 and above, though I hope it will not be necessary to ration them in the near future. I have taken steps to prepare the census and survey so as to be able to introduce rationing if necessary. I see no particular difficulty in dealing with the question of these towns and think it is possible to obtain the necessary information. I have no question of fear of tackling the problem, but it is a question of what is going to happen when we have tackled it. The whole of this matter emphasises the danger of introducing rationing in the whole of India into the straight jacket of uniformity. There are a number of places that must be rationed but there are a number of places that must not be rationed. I should suggest that

that rationing must be introduced in all large towns and progressively extended to other towns. Rationing should be introduced where it is necessary or desirable in consultation between the Central Government and the Administrations concerned.

I wish to add one word more on a matter which was touched up by Mr. Kirby. I do not think it is mentioned by the committee. I mean the question of how to deal with the heavy manual labourer. There has been a suggestion in many places that he should receive a larger ration. So far as the rationing that we have done to a certain portion of the population, we have found that that principle causes the greatest difficulty. It is very difficult to discover and to decide who are the heavy workers. I believe I am right in saying that the United Kingdom unlike Germany has firmly set its face against recognising any higher ration for heavy workers. Instead, they have followed the system of having additional feeding in canteens for persons employed in certain industries involving heavy labour. I would suggest that in India also this would be a far better system. I know it is objected to in some places that there is a difficulty of canteens for labour in India, but in other places there is no difficulty. Such a canteen is, I understand, working in Jamshedpur for some time at the present moment and I see no reason why the same system should not be followed in all places in which it is possible. Again, however, I do not suggest that one system will apply equally well to all parts of this country.

Mr. S. V. Ramamurty (Madras): Mr. Chairman, as doubts have expressed by several speakers about the value of rationing, it might help conference if I tell them the experience of Madras in the matter of ration. We introduced rationing in Madras at the beginning of last month. Before introduction of rationing, queues were daily occurrence in Madras in almost every street. Since the introduction of rationing you do not find a single queue anywhere in Madras. The system has been working smoothly and successfully. We have had no difficulty as regards the staff or as regards finance. The three basic principles of our scheme are adequate quantity, uniform quality and satisfaction of reasonable needs. We maintain a reserve stock of one month's requirements and therefore there cannot be any crisis for food in Madras. We supply uniform quality as far as possible of the varieties to which the people are accustomed. We found by referring to retail dealers that the people in Madras take parboiled rice and raw rice in the ratio of 7:3. We provide them in that ratio. We as far as possible satisfy the reasonable requirements of people; thereby we have killed the black market. When we introduced rationing, many were asking, what about marriage. We gave them six rupees worth more for marriages and nobody in Madras can now pretend that he cannot get married for want of rice. So also the case with *shraddha*. We allowed six annas worth of rice more. Nobody now can pretend that his ancestors will be angry that they cannot get food by proxy. We have now introduced rationing in 12 towns in Madras presidency. We are not following the principle of introducing it both in surplus and in deficit areas. We are introducing it in towns, in distress districts, Coimbatore, Malabar and Vizagapatam and in the ceded districts we would like to introduce it, but we have not been able to do so for lack of millets which have not reached us. To the belt area round Madras, we are also extending the rationing. As regards the quantity of rice at supplying. We supply this not in lbs. but in local measure occasionally for small quantities. The decimal points below the lb. I think one lb. is ample and the time is not too

areas in India at present where only the rich can get a square meal. It may be due to the existence of black markets, it may be due to lack of supplies, it may be due to high level of prices, the latter being by far the commonest. We do consider that in any rationing system food should be available at such a price as people can buy. It is of no use giving a paper ration which nobody can buy. Therefore we consider that rationing must go hand in hand with price control. We have heard of rationing schemes or provisioning schemes which satisfies these two criteria, although in the case of one province, the ethics of supplying food at prices the poor man can buy at the expense of either the consumer or the cultivator of cane is open to question. But nevertheless that system does satisfy we are told the first criterion. It does not however satisfy the second criterion. I would put this question to the proponents of that scheme. Can they assert with any degree of confidence that at the time the next harvest comes in, no consumers in their towns have got more than a few days supply of food? If I were asked that question in a smaller surplus province, I could not give that assurance in the absence of rationing. Although the new crop is arriving there is the old crop available. It is widely dispensed, it is not available where the province can control it. It is in the hands of the consumers. It may be a maund, it may be a month's supply, it may be two months supply. There is one example we had last year of a consumer who three months before harvest actually had 100 maunds of wheat in his possession. The consumer had the fear possibly that there is likely to be an invasion of western India, or it may be more out of fear that the prices of the new crop might be much higher. I only quote that as an extreme example but there must be hundreds and thousands of families in urban areas who have got stocks of previous year carried over when the new crop comes in. That is particularly true of surplus provinces in north west India where it is customary to buy foodgrains in large quantities for six months, twelve months and some times longer at a time. Now, Sir, if we had a rationing system whereby no one would be able to acquire more than what he needed then these stocks would be not in his hands but under the control of the provincial Government which should then if it were a surplus area export them to a deficit area. I will ask any man who does maintain such reserves of stocks whether he considers it is fair to say the least on his part to keep more for his use in April or May next when there are people in Cochin or Calcutta who have not a grain to eat now. So far as surplus areas are concerned it is the primary duty of the Government first of all to get out of the hands of the producers all that they do not need for sowing and for their own consumption up to the next harvest. That is done in an extreme measure but a very necessary one, in States like Cochin and Travancore. It is a form of rationing in rural areas which I for one pressed the Policy Committee to accept because I think it is necessary. But unfortunately I was not able to move the majority to that view. But the carry over is in the hands of producers, dealers and consumers. We can control the dealers. We have the Foodgrains Control Order which enables us to remove excessive stocks from dealers and I think that in most provinces that order is being made progressively more effective rather slowly perhaps but ultimately it will achieve its aim. As regards consumers I see no alternative to rationing to prevent these abnormal carry overs and safety margins which the holder ropes will save his pockets or something else in six months time but if utilized now would save a life in Bengal. For that reason I am authorized to say that the Sind Government is a whole hearted supporter of rationing in all urban areas.

Hon ble Mr Sukrawardy I will not tread on the dangerous ground of attempting to assess whether the valiant efforts of the Government of India in convening such Food Conferences or the perorations of Sir C. P. Ramaswami will succeed in creating out of India an economic unit or whether the centrifugal tendencies of the various provinces will destroy any such structure. But on this particular subject I do hope that all provinces whether surplus or deficit will be unanimous. I must confess I was pleasantly surprised to find a view strongly entertained that there was no need for rationing.

surprised because I thought I had committed an unpardonable sin in taken such an obvious step as that of rationing Calcutta long ago. I am concerned, this policy was laid down by me almost as soon as I office. But it takes time to ration such a large city and the process is in progress. Before I give my reasons in favour of rationing, I refer to a difficulty in the minds of many that Government must have of supplies or must have it in its possession before it takes on rationing scale; and in order to assure itself of supplies it has to go into the market purchase. And it has been found that when Government enters into the trade for the purpose of purchasing, the prices harden; whereas, without rationing, gradually and as occasion requires, brings in supplies into the market areas and there is not that disturbances of prices brought about by Government procurement. Secondly, rationing implies that the supplies in hand are greater than will actually be consumed. You are fixing the rates at one price for cereals a head a day although you know it will not be taken up. You are providing for those people who normally would not eat your one pound but you are placing it within the reach of that section of the public. Thirdly, you are attempting to provide for everyone. The natural curtailment of consumption which is brought about by prices you are destroying by rationing. Therefore from that point of view somewhat larger supplies are necessary for you to acquire. Another point is the question of quality. Somebody says he was able to give uniform quality. Though we have not introduced rationing in Calcutta in its scientific form still we are distributing through different distributing centres to consumers and the quality differs with the place of origin. For instance, the people of Calcutta appreciate Punjab rice to the north rice. Therefore there is this difficulty of different qualities being distributed through different distributing centres at one and the same time. There is a further point raised regarding price. I do not think prices have anything to do with rationing. The object of rationing is not to bring foodgrains into the power and possession of people who cannot afford to purchase.

Sir Ghulam H. Hidayetullah: What about the poor?

Hon'ble Mr. Suhrawardy: That will have to be by supplies at subsidy. I had at one time thought that rationing might be at different prices but I was sharply reprimanded by Mr. Kirby. I wanted to have two scales, one for the poor, and leaving the rich to take from the distributing centres at higher prices; and I was told that that system of rationing would not do. We must have the same prices for all. Mr. Kirby would feel surprised to have heard that there were some provinces that did not think themselves fortunate if the prices of foodgrains was only 20 p. c. above the pre-war prices.

Hon'ble Sir R. Mudaliar: He was talking of the consumers.

Hon'ble Mr. Suhrawardy: The consumer would like an even lesser figure than the provinces would like the prices to be still higher than they are now.

Now one very cogent reason why there should be rationing is that the consuming centres ought to be taken off the market as much as possible. They are the greatest disturbing factors in maintaining prices.

If we can take these off the market, price control can well be maintained and at the same time the consumers will have their provisions. For instance, when we introduced price control on this occasion the traders decided not to play. If we had rationed all the cities in Bengal that would not have mattered. We would still have been able to feed the people and the traders would have come to reason very soon. Rationing also prevents needy people from moving from the villages to the towns. One of the first effects of rationing in Calcutta will be that I shall be able with public co-operation, which is now denied to me, to remove these unfortunate people who have come into Calcutta and are being fed through relief kitchens.

Then as regards expenses I do not think they will be considerable. It has come to me as a surprise that we have been able to ration such a large city as Dacca with a population of 240,000 people, purely through voluntary effort.

setting up Food committees who have taken up zones and issued ration cards and are distributing supplies which are given to them by the authorities. People are happy because there is equitable distribution. People do resent the fact that some persons who have money should get the necessary supplies and others who have not got it should go without them. As instances there are kerosene and sugar. Wherever there are short supplies there should be rationing in order to secure equitable distribution. Today in kerosene we are able to get only 20 per cent of the previous supplies. What happens is that where there is no rationing the stock mostly goes into the richer houses while the poorer villagers get nothing at all. There is a very insistent demand that there should be rationing of these supplies.

Before concluding I may mention that I strongly differ from that paragraph which says that every effort should be made to make use of the normal machinery of retail trade for the purpose of distribution. I wish the Food Committee when I was before them had asked me the reasons but they did not and so I will give my reasons now. I think the experience of most of us has been that whenever we have given the traders any powers or any patronage or have allowed them to distribute they have always taken advantage of the consumer. I therefore believe in rationing through Government agencies and Government distribution centres and I shall give my reasons briefly. First we shall not be under the painful necessity of choosing some traders to the exclusion of others. Even if you leave it to the trade they will choose some and exclude others and that will mean an invidious distinction. Secondly our experience of leaving it to the trade has been extremely unsatisfactory in as much as the distribution has been improper and does not take note of the necessities of various localities. Thirdly we shall have to link several traders for the different commodities for each area whereas through a Government distribution centre we shall be able to serve the people with most of the commodities which they require. Fourthly without supervision of traders it will be almost impossible to secure proper distribution and I can well understand the views of my colleagues here that the enforcement machinery will have to be considerably enlarged. You can link up consumers with the trader but cannot prevent him from mixing sand with sugar and kanjar with rice or adulterating flour and mustard oil etc. He will do that in his back garden at night while you are asleep. And then worse than that if you do catch him he will say, 'Ob well I am not responsible for it. It is Government who gave me this sugar with the sand in it.' He will hold the Government responsible for that. Then Sir the trader has not played the game by the public and there is absolutely no reason why you should attempt to patronize the trader. In Calcutta in particular we cannot rely upon the fact that he will continue to carry on business in the case of an air raid. When we had the last air raid most of the controlled shops which were getting supplies from Government disappeared. Those supplies were given to traders they were given to persons who had made lakhs of money and when the bombs fell they suddenly disappeared for their lives were more valuable to them than their duty of supplying the people. In my opinion Government shops are likely to be more reliable. I do not think that many of the employees will run away. If they do you will have a minister or two about taking their place behind the counter.

There is another point. Contact between a trader and our officers has a most demoralizing effect on the officers. To our rural areas we send food grains and the ammunition is effected through supply officers. These officers choose particular people and we get reports of black marketing against them. But we can never get hold of them because they have a combination which has demoralized the service. And I feel Sir that we ought to remove as many temptations as possible from the midst of our officers. And lastly looking at it from the political point of view we ourselves shall not be able to escape the charge from our unscrupulous adversaries that we have given shops to people for political or for other reasons. I think it is much safer for a Government particularly a Government which has to face an unscrupulous opposition,

that they should contend themselves with Government distributing centres and I think that the reasons are so cogent that I do not see the other point of view at all. The other point of view may be: what is going to happen to these traders? As it is, you are going to choose a few traders to the exclusion of others, and you are thus practically exterminating the rest who deal in that commodity. It is therefore just and fair that there should be Government distributing centres.

I may say here that I do intend, after we have finished rationing in Calcutta, to have some form of rationing in the rural areas.

We might try the Cochin experiment. Of course it will be difficult for us because we are a permanently settled area. Cochin has the advantage over us, as I believe it has more officers to the square inch than we have to the square mile. But we have our food committees on whom I am pinning my faith. I think that with their aid we shall be able to achieve rural rationing as well without much difficulty.

The Hon'ble Sir Mohd. Saadulla (Assam): Sir, I was tempted to cast my silent vote in this matter of rationing for fortunately or unfortunately, Assam has got no towns or cities with a population of even 40,000, while the recommendation of the Food Policy Committee is to ration in cities and towns with a population of a lac and over but I have to respond to your call and give over views.

Both in my personal capacity as a citizen of Assam and also on behalf of the Government of Assam, we have come to the conclusion that we should have rationing, especially in the towns. Our biggest town contains a population of 40,000 and the smallest a population of 10,000. We have already started rationing in Shillong, the headquarters of Government, and we are going to have rationing in two other towns shortly. The advantages and disadvantages of rationing have been thoroughly discussed, but the principal factor which has led the Government to this conclusion is to avoid black market. I am very sorry to introduce this subject in this House for we have got a popular adage that if we spit towards the sky, the spittle comes back to our own face. If we speak of black marketing, we blacken our own face, that of India, for we have still in our midst a set of people who are exploiting to the utmost the miseries of the people. We have tried the other systems, that is Government controlled shops where people have to stand in a queue for a pretty long time in order to get the stipulated share of sugar, or kerosene. And there too it has been observed that there are people who after getting their quota after waiting for long hours come out and sell it at increased rates to others who did not like to take their stand in the queue. In order to avoid such things, we thought that it will be better to introduce rationing and as I said we have already introduced it in Shillong.

The other advantage of rationing is that really the questions of haves and have-nots and questions of surplus and deficit areas does not arise, for if you are going to ration all kinds of foodstuffs, everybody will be in the same position. I think hardly any province in India can boast of being self-sufficient in all the foodgrains that are required by the people. Not even the Punjab. I pause a moment to hear whether Punjab has got sufficiency of sugar.

The Hon'ble Sardar Baldev Singh: No.

The Hon'ble Sir Mohd. Saadulla: So if we analyse the position of every province, we find that in some respect or other even the so-called surplus provinces have got to depend upon other deficit areas. For example, I heard only yesterday that Great Punjab must be dependent upon Southern Travancore for its supply of Tapioca. In this way, every province must have its own shortage of certain foodstuff and in order to see equitable distribution of everything, the only possible remedy is rationing.

Mr. Rajwade (Gwalior): I think it would be right to say that the town of Gwalior was in point of time one of the first to be rationed. There we have had rationing introduced since August 1942, i.e., since more than a year ago. And I assure you, Sir, that although it cannot be called a Rolls Royce, it is a

od working food The point made out by Mr Ansorge is entirely correct. It is no question of deficit and surplus units. It is not a question of have and have not but it is a question of deficit and surplus areas. The Gwalior area is broken up into two parts. Our Southern part is a 'have area' and our Northern part in which the town of Gwalior is located, is a 'have not' area and it is entirely on this account that we have had to introduce rationing in Gwalior a year ago.

The second point that I wish to make out is that uniformity is not at all necessary as far as introduction of rationing goes. I do not see any reason why, if you like to call the deficit units by the name of 'have nots', I do not see any reason why the have nots should insist on the others introducing rationing as well. Behind the insistence on this straight jacket uniformity I have a feeling that the have not provinces have a suspicion that our plus figures—if we have any plus figures—will be improved as a result of the introduction of rationing in the towns located in our territory. That is not an all India question at all. The basic plan, the preparation of targets, are all India questions. But the introduction of rationing in towns is entirely a domestic affair.

If our plus figures are not above suspicion let them be checked, but once they are accepted how we put our house in order is nobody's question but our own. We may introduce rationing or we may not. In support of this I would like to advance one argument. The accepted ration per head per day is one pound. If I tell you the ration I am giving to the town of Gwalior it will surprise everybody and I will also tell you the results. We have rationed wheat, millets, gram and sugar. The ration of wheat that I allow is $1\frac{1}{2}$ seers per head per week which works out at 3 chits per day and the offtake, as has been my experience, is not as much as was anticipated. Of course I do not make any difference between infant and adult but still the offtake by standards which have been set is not very considerable. But even then there has not been any hue and cry and people are satisfied. I therefore maintain in support of what Mr Ansorge has said that it is entirely a domestic question. I do not think Mr Ansorge used the word domestic. But in support and in furtherance of what he said I still think it is a domestic question. The basic plan is an all India issue but however much people may wish to impose their views on others this question is strictly a domestic one.

Mr W V Grigson (Hyderabad) I do not wish to do much more than repeat what I said yesterday. Although some people regard us as a surplus area in actual fact we are surplus only in millets and pulses, but deficit in rice (to the tune of 60 000 tons) and in wheat. Nevertheless we have agreed to introduce rationing in Hyderabad City forthwith and progressively in all towns in the State. I would add that this is qualified by one thing which is that we are not going on with rationing unless we can make it efficient because we feel that an ineffective rationing system is worse than none at all. In this work we shall welcome and shall need all the help that we can get. One or two officers have already been framed in Bombay and we are fast proceeding with preliminary work to the best of our ability. The decision to ration has been our own domestic decision but we have taken it partly to counteract the tendency of part of the public of Hyderabad to resent any local effort to co-operate with all India in solving the food problem. It also is a real help in the local problem of keeping the huge urban population of our capital city adequately and equitably fed.

Mr I H Dracup (Delhi) Our position in Delhi is almost unique. We draw our supplies from the Punjab and we are only half a dozen miles from the U P. We produce nothing at all. We are dependent entirely on the bounty of our neighbours.

The second point is that the population of Delhi is almost uncontrollable. The fact is that nobody knows what that population is today. It jumps up and appears to climb in a manner which although I have had experience of no less than two successive censuses is completely beyond calculation at my point. The 1941 census told us that the population of the urban area in Delhi

is just below 7 lakhs. It is computed by my predecessor that that population has risen to about 9 lakhs but it is strongly suggested that that figure is not reasonable.

Under these circumstances, in order to introduce rationing in Delhi, we would first of all have to take a second census. Secondly, if we introduce rationing in Delhi we would necessarily be in a peculiar position. Our hinterlands are producing areas and we are a consuming area. There is perhaps a great deal of black-marketing going on in Delhi today and unless we can estimate with a very considerable degree of precision what the consumption should really be, it would simply help the black-marketing conditions.

Chairman: Why?

Mr. Dracup: Because to give a man a pound a day, when he eats only half a pound, means that he will draw his pound and sell the half. I have recently come from that part of the country which does not produce one quarter of what it needs. I introduced rationing in that area as early as March this year. We had not enough for everybody. So the theory on which we operated was that whatever was available everybody should share it on an equal scale. I found that the people who did not want the quantity that was available for them automatically took it under the ration card and promptly sold it round the corner. That's exactly what must happen. The rationing problem is to find out what people actually consume.

Two months ago Delhi was in a very precarious condition. This was before we were allowed to go the Punjab for the purposes of supply. It was then found necessary for the authorities to import and distribute direct. It was also found at that time that when they distributed 3,000 maunds a day the position was eased and nobody complained. The moment you work that out into rationing per head, you were confronted with the extraordinary position that that 3,000 maunds per head was evidently distributed among or taken up by something like 1/5 of the population only because it appeared that the rest of the population had stocks as mentioned by various other speakers which they laid in six months, and nine months and twelve months, before mathematically this 3,000 maunds for Delhi on the computed population today worked out at about 2½ chts. a day.

The Hon'ble Mr. H. S. Suhrawardy (Bengal): A very strong reason for rationing.

Mr. Dracup: Is that strong argument for rationing I do not think so. If you give a pound a day you will require about double the amount of foodstuffs. Shall I say of wheat, which is now being brought into Delhi.

That is the position here.

Rajpriya R. S. Mane Patil (Baroda): I do not stand here to depict any very sombre picture about the food situation in Baroda. Up to last year, we were a deficit area in all the main food grains viz. Wheat, Rice, Bajra and Juwar and we had feared our minimum deficit would be in the neighbourhood of 40,000 tons in all these food grains. We were determined to co-operate wholeheartedly with the Government of India in tackling this most important of all the problems of war—food problem. We therefore concentrated our efforts on adopting proper measures for its solution. We wanted to reduce our deficit to its minimum possible extent. To achieve this end, a vigorously carried the campaign of "Grow More Food". As far as my knowledge goes, Baroda is the only administration in the whole of India, which have made it an offence for every cultivator not to put a certain fixed percentage of his land under food crops. An efficient staff of experienced and capable officers was put on special duty as field Inspectors, who went round every field to see if the required percentage of food crops was grown or not. The supervision was exercised right from the inception of the sowing operations and the necessity of growing more food was impressed on the cultivators who, I am happy to say, responded remarkably to our efforts in the matter. Special facilities for irrigation in off season were provided, which were greatly availed of by the agriculturists, who as a consequence were able to produce large amounts of food-grains. This went no small way in reducing appreciably our deficit. Side

side we were exercising strict control over the available supply. In the city of Baroda, we introduced what may be termed as partial rationing. Cheap grain shops and fair price shops were opened, which were supplied grains from the State's Central foodgrains stores at Baroda. More than two-thirds of the city's population is served by these shops. Black market has disappeared. In rural areas suitable arrangements for the procurement and distribution of foodgrains are made. Special officers have been appointed to arrange procurement of foodgrains from our surplus areas in order to supply them to our deficit areas. Strict control and licensing have been introduced and competitive buying has been almost eliminated by limiting the activities of the buying agents to a certain defined area right from the beginning of the Control system. We have associated the people with the working of these arrangements. Advisory Taluka, District and Central committees largely representing the various interests of the public have been formed. They often meet and deliberate on the important questions that arise from day to day. They also help the authorities in the fixation of prices and many other kindred problems. They have been found to be of immense help in the solution of this most difficult problem. By husbanding our resources in a most economical manner and by substantially adding to our food grains supply by means of an intensive "Grow More Food Campaign" we have found ourselves to be in a much better position than we had expected. Very recently, we were happy to place spontaneously at the disposal of the Food Department 9,000 tons of Bajra. This, I am sure, you will all agree is a fairly good performance. We have almost ceased to be deficit in all food grains except rice and wheat. About wheat I cannot say anything definitely at this stage. We may require a couple of thousand tons for the present. How much will be required for the next season, i.e., for the ensuing months after April 1944, will depend on the prospect of the wheat crop we will have this cold weather. We are however heavily deficit in rice to the extent of about 20,000 tons for which we will knock at the door of the Food Department. This is so far the position of Baroda about food. About the reaction to the committee's recommendations Baroda is in general agreement with the conclusions arrived at in the Report, except on the question of prices which in the opinion of the Baroda Government must be fixed for a fairly long period (at least for a year) along with the prices of consumers and producers goods. We feel that a uniform long term policy must be adopted and effectively put into execution. If every administration is allowed to take a stand on its constitutional position and allowed the latitude to treat the food problem as an entirely its domestic affair, this problem which concerns the whole of India could hardly be solved. It is an all India problem and as such it is the main concern of the Government of India, who must chalk out its policy and enforce it irrespective of the fact whether there is unanimity about it or not in the several administrative units. The case of sugar control serves us as a useful guide. Mr Mehta the Sugar Controller chalked out a scheme and enforced it throughout India. We have our individual grievance against Mr Mehta in that he has treated Baroda most illiberally. We are fighting with him for increasing the quota allotted to Baroda. But this apart, I must say that if any control has achieved a fair measure of success in India, everybody with one voice will say, it is Sugar Control. Mr Mehta indeed deserves a word of praise for this achievement. In short, my argument is that the Central Government must adopt a similar policy with regard to foodgrains so that there may be an end to the present unsatisfactory position. In the end, I appeal to the Government of India, with all the emphasis at my command, to come to grips over this most important of all the problems.

Mr M. A. Srinivasan (Mysore) When rationing was taken up for discussion I did not expect that there would be any opposition at all, but when it did come from some of the surplus provinces I was not surprised because we have met with that phenomenon. As Sir C. P. Ramaswami Iyer said a few minutes ago no area or Province is so deficit that there are no surplus districts in it at all. In other words although for instance Travancore may have a total deficit, there are large or small areas inside

surplus; and in those surplus areas we have met with the same kind of reluctance to rationing. I will give an example. In Mysore we have a district which supplies rice required by several other districts in the State. But in the same area we have an iron and steel works which is more or less an urban area in which we have introduced rationing. Representations were made by the rural area in that district that they were accustomed to 2 pounds per head of rice, while in urban areas or industrial areas they are grateful for $\frac{1}{2}$ lb. per day. I am not surprised therefore to find the reluctance on the part of the surplus provinces to this rationing. But unless the surplus areas submit to some kind of rationing, how are they to get all the surplus that they are capable of giving? I heard the Punjab and the United Provinces say that if we should expect them to continue the supplies they are now giving, it is best that rationing was not insisted in. I would like to ask whether they have any definite data as to what is the per capital consumption in the producing areas. If our experience in Mysore is any guide, we have come across cases where the people in small towns in the surplus areas are actually eating three or four times the quantity that we are able to give to inhabitants of other areas.

Mr. M. A. Srinivasan: Is this fair? In my view it is not. I think the comparison about conditions in England was somewhat unfortunate and resulted in a great deal of digression, and the Hon'ble Minister for the North-West Frontier Province dwelt on that a great deal. But I think most of his objections to rationing originated from his admitted belief and fear that there was civil war in India. I do not think we have yet come to that. The Honourable Minister from Bengal sought some satisfaction from the arguments of some of the surplus provinces against rationing, and said that he was glad to find that the arguments gave some support for the delay in his introducing a scientific system of rationing. Some of us cannot help feeling that perhaps some of the hardships of Calcutta would have been mitigated, if not avoided, if he had gone in for a rigid system of rationing in Calcutta. Rationing in my opinion is fundamental if we want an equitable distribution of a restricted supply. Take petrol or kerosene oil or cement, for example. We have rationed these things—it is not left to the people who produce cement or petrol to help themselves to as much cement or petrol as they like before they give it to others; and I think we should see the same attitude adopted in regard to the rationing of foodstuffs. I think rationing is as important as procurement, and procurement is not complete without a wellplanned scientific system of rationing.

Sir Geoffrey Burton: May I ask one question? The last speaker said that surplus areas should submit to some form of rationing. But the surplus areas are rural areas. Is he advocating the rationing of rural areas?

Mr. M. A. Srinivasan: Yes. It is more difficult, I admit; but it can be and has been done and I shall give an example. There was a particular taluk, a surplus taluk in the Mysore State, which asked for a certain quantity of rice to be left with it for its own consumption—we let them have it;—then they said they wanted more and this went on. But the moment we took a census of the people in that taluk, the poor, the landless, the labourers those that had lands and stocks and so on, and decided what they should have for their own needs and what the area could reasonably spare, that is to say when we introduced a kind of rationing in that area, all this increasing demand for more and more supplies stopped and it was possible to get supplies from that area for other deficit areas without encroaching upon the legitimate needs of that particular area.

Mr. S. K. Kelavkar (Kolhapur): I speak on behalf of Kolhapur. Unfortunately we are a deficit district—I am not going to pour out my tale of woes of what we have gone through in the last two years, how sometimes we felt that under the basic plan we were let down badly, because although we realised that the basic plan was the right thing, it failed in our case because the conditions which could make it a success were not there. Listening to the speeches here, one cannot but feel that those who have a surplus seem fundamentally opposed to the idea of rationing; and I am not surprised. Probably, if I were a surplus

provinces I would have felt the same way. At one time I myself was thoroughly opposed to the idea of rationing because I thought it was a big bother and the expense would be great and probably it would not be worth while and it could not be a success in this vast country of ours. But if we look at it from a broad point of view and face the position we have now in India that we have not enough food grains and whatever we produce as a whole should be shared and shared alike, then there is no other way out of it. Rationing presupposes that those that have and those that have not will share equally, and that can only happen if the whole output is controlled by a central agency and distributed on settled principles. It may be that we can get a lb a day or less, but whatever we will have we will have equally, and we shall be satisfied with that. I may say we had a surplus of sugar, in return for that surplus sugar Hyderabad offered us 40,000 pallas of gram, and although the offer was very attractive to us we had to forego it in common interests and give our surplus sugar where the sugar controller wished us to give it. Rationing has really saved the situation as far as sugar is concerned. You know there is a shortage of kerosene and kerosene has become such a necessity to all of us especially in the districts, that we cannot do without it. We tried to do without rationing kerosene and what was the result? No matter what we did, no matter how we appealed to the people, still there were complaints, there was a black market, and something was always at fault and most people had no kerosene. At last we took up rationing, and what was the result? We are now been blessed on every side—People see that they do get what their quota is and nobody gets more than what he should. That is the whole point. Unless there is rationing in India we will continue to have some provinces floating in grains whereas other areas will go without grains. We will continue to see the sight of people starving in one area whereas next door they are waxing fat. That fact itself is one which ought to convince us that rationing however unpleasant and distasteful it may be to us, has to be accepted by us. I am rather surprised to hear it suggested in this house that 3 chittacks of wheat a day was found enough. As far as my knowledge goes, I think a lb of gram has at the most 1 600 calories and a man requires at least 2 000 to 2 200 calories a day if he simply lies down therefore 3 chittacks can never be a proper rationing for him and it should be supplemented by other food.

Mr Raywade I did not say that 3 chittacks a week—I said 3 chittacks a day and in addition there are several other food grains dals and millets for instance and vegetables and other things.

Mr Kelavkar The ration of grains is at present intended to be one lb a day—all sorts of grains. If you look at the whole of the production of India which has been given here—50 million tons—it is 3 maunds of grain per head per annum i.e. $\frac{3}{4}$ lbs a day on the average if you are going to take over all the grains and pool and distribute it nobody is going to take more than $\frac{3}{4}$ lbs per day. I may be wrong in my calculation but I think broadly speaking I am right. We have got to supplement our grains with other things meat or vegetables or milk whatever it may be. I feel that we have got to accept the point of view that whatever grain is there has got to be made available equally to every one of us and the only way we can do it however distasteful it may be is by proper rationing. That is the only way out of a very tight corner.

Mr S Khurshid There are areas which are almost cent per cent surplus; there are areas which are partly surplus and partly deficit and there are areas which are entirely deficit like my little Province of Ajmer Merwara. So far as my Province is concerned rationing is not only desirable but it is necessary. The population of my province is six lakhs and nearly 50 per cent of the population is urban. The rural population do not produce enough even to keep themselves going. Consequently the urban population entirely depend on supplies from outside. So far as Ajmer is concerned therefore I strongly advocate rationing. It seems to me however that there is some confusion of issue regarding rationing in surplus Provinces. Mr Kirby will pardon me if I say that he has

out of question, or almost so, in this country to take these factors into consideration as in the case in England. There are such obvious difficulties that will not expatiate upon them. We have to fix our prices to a large extent *ad hoc*, but we are in the middle of a crisis and we are dealing with undented price levels. This is not a case of fixing a normal price in accordance with actual statistical data: it is a question of trying to bring the prices down to some kind of reasonable level and to a level at which the poor and the needy can buy their food.

Sir Geoffrey Burton: The point of view of Central Province in this matter is possibly less important than that of some of the other provinces in that we are not a major consuming area or a major producing area. We are of course a surplus plus, but our total production and our surplus is on such a small scale that it does not affect matters a great deal. As I have already explained, the attitude of our government is rather sceptical as to whether fixation of prices by statute would produce the effect you desire to produce. We have the same sympathy for the cultivators point of view as that to which Mr. Ansorge has referred. We feel that the cultivator must be allowed to have his fair profit at the present time. No doubt he got into debt during slump, and I am glad to say that I believe he is now emerging from that debt partly as a result of debt legislation in our province and partly because he has had recently a more remunerative price for his produce. Now, Sir, Mr. Ansorge referred to the conference of 1940 about prices. I think there was a similar meeting here before one of the price control conferences in which the provinces were invited and *e.g.*, we were one of the provinces. Our view then was that if you want to fix prices by statute or otherwise the time to do it is when the new harvest's produce is coming on the market. Then as a rule the prices are at their lowest and any how the prices represent most nearly what the cultivator has been paid for his produce. So it should be possible to base your future course of prices on the prices then ruling. We put that into practice ourselves this last year. The Food Department imposed on us a very heavy burden of providing rice for Bombay and numerous other consuming provinces and states early this year, and we had to go in and start a new job altogether in our line, that of being practically ourselves rice merchants, and we fixed our ceiling price at which we began our procurement operations on the then market level. We began the operations in December-January, which is just when the bulk of the produce comes to market and we found that that has worked very well. Our price has not been quite as low as the price in Madras,—but perhaps our prices are always slightly higher than in Madras Presidency,—and we have been able to keep the prices steady and we have been able to get the stuff that we required to the extent that we had expected when we proposed our basic plan. We had to resort to requisitioning, but it has been on a very small scale; and I do not think there has been any serious criticism or discontent aroused by the prices we have paid or the way we have carried out the requisitioning. That is I think a practical instance of applying the market price throughout the year. We raised the price gradually during the year as the price always does rise during the year to allow for loss in storage, etc. So that is our point of view; it bears out the other idea which it has always been my instruction to express at this conference, *viz.*, that it is not the slightest good fixing a price unless you have either got physical possession of the stuff of which you are trying to fix the price or you can get that possession. That of course is exactly what we have done in our procurement scheme. We have got hold of the stuff and, as I said yesterday, we think we have got hold of about two-thirds of the total marketable surplus of rice in the province this last year. That I think almost amounts to control of price by control of supplies. Our other control is effected through distribution. With that large mass of stuff in your hands you practically control distribution as well. Not only our own consuming areas have had the benefit of these lower prices but of course Bombay and Bengal and the states have had the advantage of getting these supplies at cost price,—I think it was something like Rs. 8-8 to 9-12. This low cost must have been a great help to all the consumers concerned.

Now coming to the actual proposal before the conference, we are not very clear as to how you set about fixing a statutory price unless you have a market level such as we had to go upon, or unless you have got the stuff and you have got your own prices, unless you choose to sell it higher than it cost you, as has been done in some provinces or at less than it cost you as has been done in other provinces. That would be a purely arbitrary fixation and we do not know how you will do it. There is another suggestion that it should be done by regions. I take it at present for obvious reasons you have got down to fixation of price of rice for example. You would obviously have to start in Bengal and in the eastern region where prices have got most disturbed. But we cannot see how the price fixation there would affect us. I can give a practical instance of our difficulties that would arise from a fixation of prices or a different attitude towards prices in an adjacent region. We adjoin the province of Orissa and the Eastern States Agency. Our experience is that the price in those areas is at a much higher level than our price and that has been a constant embarrassment to us in our procurement operations. It is particularly embarrassing in the case of Orissa because part of that province was carved out of the Central Province so that in a part of that province which belonged to Central Province only a short time ago you have an entirely different price level now obtaining. The problem is how to shade off the price from one region into another like the ripples on a pond when one throws a stone into it. Of course if you raise the price over an area suddenly to meet the level of the price in Orissa our cultivators would be astonished and it would entirely upset the provincial economy because that would raise the price in all our urban consuming areas and there would be another demand for an increase of dearness allowance although it does not reach any one except the employees of big corporations and the employees of Government. That is the trouble and I do not know how you will deal with it. That leads us to the query as to how you can get the price to settle down over the whole area.

The point that was mentioned by Mr. Ansorge is that they would fix the price at a fair price. I have spent about six months in trying to discover a fair price for rice so as to be certain that I was giving a square deal to our cultivators and the conclusion I have come to is as I said before that it depends entirely on the price of the other necessities of life such as cloth etc. So our other idea is that before you start fixing a statutory price of food grains you should get down to the job of fixing the price of cloth and of the other articles which are necessary. Fortunately we have now got down to the job of fixing the price of cloth. I believe the survival of standard cloth in the market has had a steadying effect on the price of cloth which we can only wish had been produced long before. I for one have advocated that for a long time even in preference to standard cloth. My point is that you must fix the price of all the commodities that enter into the life of the people before you interfere too drastically with the price of his produce and the Committee have recognised that. They have pointed out that you must supply these commodities at such a price that the cultivator can purchase them and I take it that it is also contemplated that these articles will be supplied to him at what is a reasonable price i.e. a price which bears some relation to the cost of purchase of the article and of its production. It has always seemed to us that in respect of imported articles there can be no possible excuse for profiteering at all. Everyone knows what the cost of that article is from the customs officer upwards and downwards and the cost of bringing it to India and its sale in India should be regulated by that price.

So our two main points are that we should like to see the prices controlled on a rational basis i.e. the price of each article must bear a reasonable relation to the price of other articles but our belief as practical men is that unless you have got real physical control of the supply of the article in question or can gain that control at any time you want it is no good fixing statutory prices. If it is decided that you can fix statutory prices we think the remarks made on the subject in the report are quite unexceptionable and we would prefer that the power to fix or approve of statutory prices should be retained in the hands of the

It should first be on a regional basis but there should be some machinery by which that co-ordination can be achieved on an all India basis. We do not think it is feasible for the Centre to control prices throughout India, and we take strong exception to the Centre trying to raise prices in any region for the purpose of securing stuff for the deficit areas. If it does that it has a moral obligation to feed the poorer sections of the population and we should be justified in asking for substantial subsidies.

Mr A W Ibbotson (U P) We feel in the U P, Sir, that we must get control of prices and that we gradually are getting it. But we feel doubtful whether it should be statutory or not. The reasons are to a large extent given in the note of dissent which is already in the Committee's proceedings and I will not bother you with those. But we do rather feel that the stocks we have at which we are putting on the market at gradually reduced prices and which enable us to go into the market at steadily lessening prices to buy will enable us to bring the market down. If this is not successful it might be necessary to go on to Statute. But we do feel that when all the conditions for the success of statutory control have been attained it is probable that you won't need the statutory control to enforce it.

We agree of course that it is desirable that price differences between provinces should be narrowed and we are doing what we can with our present stocks to work that and it has worked to a considerable extent up to date in spite of the comments in the papers about Hapur. It is a curious thing but although the Punjab prices are lower and the Bihar prices are higher our prices are lowest in the east of the province and highest in the west and that I think is due to the very large production of sugar in the west which has put so much money into the pockets of the cultivator that he can afford to withhold his wheat. But we are gradually getting over that and I hope for success.

We agree of course with paragraph 67 as to keying up procurement rationing etc. and we have done it with considerable energy.

Paragraph 68 says that Bengal is so abnormal that it must be subject to special rescue operations and co-ordination of Bengal prices with others must wait the success of these. This is obviously true and we should like to hear that these rescue operations are and to be assured that they are such that you, Sir, are confident that they will succeed.

We agree of course that the control of prices of grain is very largely dependent on the control of prices of the commodities which the cultivator uses and is able to buy and we are anxious to co-operate in every way possible to get cloth out at low prices and to get all the other commodities controlled or reduced in price so that we can pull down the price of grain. In this connection we hope that the Government of India may find it possible to go into the kerosene position and see whether they can get us back to full ration of kerosene which has been cut to half. If we can get that to the villages we shall get more wheat out and I know that it is under your consideration. The same applies to other items of the cultivator's consumption.

As to the part that the Centre has to play in the fixing of prices we agree of course that we need your co-ordination. That has been obvious from the first because if you attempt to control prices in one bit of the country the operation spreads outwards and it eventually leads you either into a dreadful muddle or into control all over the country. We agree that we need co-ordination in that way but we do feel as some of the speakers who have spoken before me have said that we don't want that co-ordination to extend into every detail and to need sanctions from here before we can take action which we consider to be urgently necessary. For instance at present we are trying as you know to pull the U P prices down to some thing like the Punjab prices and we should like in spite of the rice stocks we have got at a very big price to see whether they can be brought down to something like 10/8 and we have been putting our wheat on the market below what the hania is selling at and we have also

prices a little below what the normal market price appeared to be. But we had to write to the Government of India whether we could put wheat at 3½ seers per Re. instead of 3½ seers or were any attempt made to insist on small matters, then we feel that the whole scheme might fail. We also as has been repeated *ad nauseam*, that we are entitled to be entrusted to normal commonsense of our own.

Mr. I. H. Tanton (Bombay): We from Bombay find ourselves in accord with what was said by Mr. Ansoorge at the beginning of this discussion. The points he made were exactly the ones I was hoping to emphasise. regard statutory price control as 'unavoidable whatever may be against it, and it is absolutely essential to our procurement.

That we are just now introducing. For the purposes of procurement we have fixed prices of the important foodgrains for every district, at which Government is going to buy whatever surpluses they can lay hands on. The prices have been published and the public know that Government intends to take possession of whatever surpluses there are at those prices. A great deal of care was devoted to fixing the prices. We got the best information we could from the District Officers. We took the 1927-29 averages and prices in every case are a percentage over those averages, but not a constant percentage. They vary in the light of special conditions prevailing in each district and we have preserved the differences in prices which have all also existed between certain districts. Supposing for instance the price of rice was always 10 to 15 per cent. higher in Ahmedabad than in the adjoining district of Kaira, we have preserved that difference in the prices that we have fixed for the procurement plan. As Mr. Ansoorge pointed out, it has not been practicable to comply in detail with the conditions laid down in recommendation 73 that the cost of various articles required by the cultivator, whether connected with agriculture or for his own consumption, should be accurately calculated and included in the ultimate figure, as they have done in America where they have enforced parity from the agriculturist's view point. But we did take those conditions into account, and we referred our figures to a high authority on Commercial Intelligence, and he told us that our figures did correspond roughly with parity from the agriculturist point of view. Now supposing in spite of all that care, when the Government buyers begin their operation they find that the market in the district or in the area where they are operating is higher than the prices that have been fixed. Even if it is high by only eight annas or a rupee a maund, they will not be able to buy any grain at all. Producers will sell to anybody who is prepared to give a better price, however small the margin. One remedy would be requisitioning. But everybody here has set his face against requisitioning from the primary producer so long as it can be avoided, and we also want to avoid requisitioning from the cultivator as far as we can. Surely, the only alternative is to fix prices for the area at the same rate at which Government has announced its intention to purchase. We must have the market in line with our own prices and that is the reason why we think statutory price control is necessary, and that is also the reason why we agree with other speakers, including Mr. Ibbotson, that constant references to the Central Government will not be practical. I do not suppose the Central Government want to be worried with telegrams asking them to sanction a particular rate for one district and another rate for another district. It will be very difficult to make out a case in every instance which would satisfy the Government of India that there is a petty changes are necessary. Those facts and figures are known only to the Provincial authorities, and therefore, while we have no objection to central co-ordination as Mr. Ibbotson said, we feel that detailed control from the Centre is out of the question. Then, I understood, you Sir, to say in your opening remarks that statutory price control would not be insisted upon. The less the conditions mentioned in Recommendation 70 were present. The conditions are (a) adequate procurement machinery, (b) rigorous and drastic

Sir G. Burton: My point is how it will fit in with their local fixation price? I have never suggested for a moment that Bombay ever made thing on the supplies that they received. We know that they fixed the prices when we gave them our commodities. My trouble is how can you fix it one price in Bombay and another price outside, and those two prices have no relation to one another?

Mr. Tanton: We have to pay what we are required to pay and we have to pay what we think is proper to our own consumers. There is no attempt to equivoicate the price at all. There are different prices in different areas. We have been paying varying rates to various Administrations.

Mr. J. C. Bolton (Sind): Before considering the question of statutory price control, I think it should be made clear by all speakers whether they are in favour of control at all, because I believe there are some Administrations which are opposed to any restriction being applied to an ever-rising trend of agricultural prices. I think that distinction is fundamental because if they are opposed to any sort of price regulation and price control, then their views on statutory price control are really subsidiary to that. I must confess that I cannot understand Administrations which are opposed to the regulation of prices. I think it has been made clear in the report that very small deficits of foodgrains lead to very large rises in prices and very large rises in prices mean hardship and worse than hardship. In fact, the alternative in many cases is either death by starvation or slaughter by firing against rioters. We have had examples within the last month of these two effects at opposite ends of India.

As regards the question of statutory price control, all the speakers so far have shown themselves in favour of price control, but they expressed differences of opinion as to whether this end should be achieved, or supported, by legislative sanction. I would like to make it clear as one of the members of the Committee that in this recommendation which says that the minimum conditions precedent to the establishment of statutory price control are adequate procurement machinery, rigorous and drastic enforcement of the Food-grains Control Order and of Anti-hoarding measures and effective control over transport, I think I am correctly stating the view of the Committee that the word 'precedent' did not mean precedent in point of time but essentially contemporary steps. When Lord M. Macaulay framed the Indian Penal Code he did not advise the Government of India not to enact it until they had a large staff of police to detect offenders, magistrates to try them and jails in which to imprison them. He presumed that any Administration which accepted the ethical principles of the Indian Penal Code would take steps to carry them out. And I maintain that the breach of price control and the denial of food to people by making the price impossible for them to pay is a greater crime than many, such as cheating, which occurs in the I. P. C. I consider therefore that price control must be enforced statutorily. I think it must be made an offence. I consider it criminal that anybody should be allowed to submit his fellow-men to slow starvation because of greed and the desire for private gain.

As regards statutory price control, we consider it to be a help rather than a hindrance in procurement of food-grains. The reasons for that have been fully stated in the report and to those who doubt their validity I can only say that the maximum quantity of food, I feel that statutory price control is the best way of doing it. I say this because the method, advocated by some provinces, of ceiling prices is equally effective if it is known that the ceilings will not vary by more than a few annas a month and which may be justified as the season advances. But so long as any uncertainty exists as to what the ceiling prices may be in three months' time and so long as there is any hope that they will be higher and the people will stand to gain by holding on to the ceiling market, so long will these people tend to hold up grains. If the people have confidence that these

ceiling prices will only vary by a small amount, then they won't mind them. I am impressed by the experience of Madras that ceiling prices can be almost as good a substitute. But I have noticed that people who advocate ceiling prices say that they have to alter the ceiling prices because supplies are not made available at that price. In other words they are following and not leading the market. And so long as Government accepts that position that it will follow and not lead the market the position although better than complete lack of control is not as good as it might be.

When I talk about price control I mean of course the fixation of prices which are fair to the agriculturist as well as to the consumer—in fact fair to the agriculturist more than to the consumer. He must be given a fair deal and that fair deal must extend to fixing a price which has relation to the cost of other things he buys. Now Sir I would remind this conference that slowly steps are being taken to make the price of other things in parity with food prices. For a long time—certainly at the last three Price Conferences and the first two Food Control Conferences—cloth was always held out as the agriculturist's hugbear. The price of cloth has been controlled and I think that it is not now out of parity—though I consider it too high—with the price of foodgrains in the provinces where that price is lowest and it is cheap in provinces where the price of foodgrains is highest. Not merely cloth but salt sugar kerosene matches etc., have all been controlled. But certain things have not been controlled and I would implore the Government of India to attempt to control them as soon as possible. Some of them are within the competence of local Governments to control themselves. We have heard for example about the high price of plough bullocks but surely that price is almost entirely a local problem capable of local solution. There are a few things of which the price is still exorbitant—iron and steel certain agricultural implements timber and one or two other things—although in the case of most building materials timber bricks and so on—the provinces can if they wish give a fair deal to their own agriculturists. There is of course the question of shortage of supply. There have been complaints—very justifiable—about the shortage of kerosene. But I cannot understand a man who says 'If you won't give me all the kerosene oil I require I will certainly not give you all the wheat and rice you require'. It seems to me that there are certain inescapable hardships that we have to face. I hope that the Government of India is attempting to increase the supply of kerosene but I realize that it is not entirely in its hands or possibly not at all. And if this supply cannot be arranged I do not think that that should be used as an argument for refusing to part with grains.

I think I am exceeding my time limit but there is just one point on which I have not yet touched. And that is the question of regional fixation of prices. Sir I consider the question of price control as I have said is not merely one of food control—it is not limited to some commodities it extends to all—nor is it limited to any one part of India it extends to all parts of India. In the Basic Plan, which was supplied yesterday it is put down that Sind has to supply rice to Sikkim. I had to look up on the map to find where it was but quite obviously economically India is one and I think that the Central Government is trying to evade the issue as it did before in the matter of fixing prices of foodgrains other than wheat by washing its hands of the responsibility and thrusting it on those of regional boards which lacking superior sanction failed throughout India to effect the price control that was asked for. And I do plead that this question of price control is an all India one. I know that the Honourable the Finance Member is here and I hope that he will speak on this point but it is a matter that affects the whole country and all commodities and I feel that to ask regions to come together and operate individually without the comment or unifying influence that the Government of India could apply would merely postpone this issue to another day.

The Hon'ble Sir Chhotu Ram (Punjab) One thing is clear
very outset. Mr Bolton has stated that there is a wing

the representatives of the Government of India here that when the war broke out, instead of offering to forego a percentage of their pay out of patriotism, there was a scramble for special pays and special allowances. I understand that people who were getting only Rs 2,000 or Rs 2,500 were suddenly shifted to posts carrying a salary of Rs 3,500 or even Rs 4,000, and I am glad to say that it was a noble minded Punjab civilian who was the first to protest against this loot. Another very formidable factor in inflation is the inadequate production of commodities and goods. Even there the Punjab is not to blame. In the whole of India I understand the additional area which was placed under food crops was 8.5 million acres. Do you know what is the Punjab's contribution to this figure? 3.3 millions of additional acres were placed under food crops in the Punjab, that is, 40 per cent of the whole and yet it has been suggested that the Punjab is holding up the country to ransom.

Now, it has also been suggested that there has been a disproportionate rise in the prices of food grains. I confine myself to wheat, because wheat production is what I am concerned with in the Punjab. I am not speaking of Madras or of Bengal, I am not speaking of rice except incidentally. Has there been a disproportionate rise in the price of Punjab wheat? Of course Bengal is suffering terribly, Bengal has every sympathy from me, but their conditions are most abnormal, I am speaking of the Punjab which happens to be in the fortunate position of being a normal province, leading its normal life under normal conditions. Let us see how things stand. If the prices of wheat have not shown a correspondingly larger rise than the prices of other commodities which the Punjab cultivator has to purchase, nobody can say that there has been a disproportionate rise in the price of wheat. I am no economist but this is what my commonsense tells me. Let us examine the figures of rise in the prices of other commodities which the Punjab cultivator has to purchase. I will give very authentic figures to support my statements.

Hon'ble Sir A. Ramaswami Mudaliar Is not the issue whether you are prepared for price control or not, at any figure? Are you prepared to accept it if it is put at Rs 15?

The Hon'ble Sir Chhotu Ram If the Government of India can secure stability in the prices of the cultivators' requirements, the Punjab will certainly consider the suggestion sympathetically.

Hon'ble Sir A. Ramaswami Mudaliar Thank you.

Hon'ble Sir Chhotu Ram But I will not be content with paper control a control which exists merely on paper. People have spoken of control of prices of standard cloth of kerosene. Are these commodities available at all? They are not. You have controlled sugar but is sugar available at all to the cultivator? No, it is not. I know from personal knowledge that cultivators of my district have had to pay Rs 40 per maund, and similar things have happened in other districts of the Punjab. I will not accept that as control, if you want to have control of the prices of these requirements of the cultivator that control must be effective in this sense, that the requisite quantities of his requirements should be made available to him and that those quantities should be actually sold at controlled prices. If the Government of India either fails to make the requisite quantities available or is unable to enforce the prices at which it is sought to control these commodities I will not accept that as real control. I was speaking of wheat.

Chairman Time is running on.

Hon'ble Sir Chhotu Ram The Government of India is the heaviest purchaser of Punjab wheat and I refuse to conceal that the Central Government can be an impartial judge. The Government of India has rolled itself into party, witness, counsel and judge at the same time, and still reference is made to there being an overwhelming majority of this Food Grains Committee being in favour of control. I refuse to accept that contention. There are in fact only two parties—the sellers who are the surplus provinces and the purchasers—are provinces, and even more so the central government. There

Yes,

there is no question of there being majorities and minorities. The Punjab is pre-eminently a surplus province; other provinces are surplus in various degrees, but there is not a single province which approaches the Punjab in its production or in its surplus; and if the Government of India will be pleased to give us the figures of supplies they have received from other surplus provinces, it will enable me to judge the position in a truer perspective. Therefore, I say this: there is no question of minorities and majorities when we come to discuss or decide the question of instituting statutory price control on wheat. There are only two parties, the surplus provinces which really means only the Punjab as it is much more important than all the other surplus provinces put together, and the hungry units; and among the hungry units I place the Government of India as Number One. Their requirements exceed in quantities the requirements of perhaps all the other provinces put together. Therefore when we speak of majorities being in favour of price control, let us disabuse our minds of any confusion on the real position. No majorities and no minorities really exist. The Punjab is the seller and the Government of India is the purchaser. This is really the crux of the whole situation.

I was speaking of rice and wheat. The Government of India never thought of instituting any control on the price of rice, although the Government of India ought to know that the consumption of rice in India is three or four times or even perhaps, five times the consumption of wheat; even the area under rice is 2½ times the area under wheat.

Hon'ble Sir A. Ramaswami Mudaliar: That is not correct. It is not correct to say that the Government of India never thought of controlling the price of rice.

Hon'ble Sir Chhotu Ram: It has never done it. What really matters is what you have done and not what you may think. No price-control has been instituted in respect of rice, in spite of the fact that the index figure for rice has gone up to 95½ as against only 34½ for wheat. Is there any justification for it? None whatever.

Then, again, let us see the rise which has taken place in the price of the cultivator's requirements. Let us first take cattle; and for the benefit of the members present here, I may disclose the fact that draught cattle are the heaviest item in whatever the cultivator has to spend upon producing foodgrains. This item in the Punjab represents 42·2 per cent of his total expenditure. The prices of cattle have gone up from four to five times their original level. Here are authentic official figures. The price per bullock was—

Rs.	
65	in September 1937
74	1938
32	March 1942
84	September 1942
150	March 1943
1940	1940
48	September 1942
63	March 1943

September 1943—there has been another rise of about 100 per cent. Now, I give you the average price fetched by all the animals sold at a fair in the Rohtak district. In 1937 the price per head of cattle (official figures) was Rs. 43. In 1939 it was Rs. 36. In 1942 it was Rs. 80; and in 1943 it was Rs. 210.

Now let us pass on to other requirements . . .

Chairman: Do you not control the price of cattle? If you control the price the result will be that you will have no food. It cannot be done; what really requires to be done is to control the additional population which is now being imported into this country. You are treating your Italian and German prisoners as if they were your honoured guests. What happens in Germany? They ask their prisoners of war to break stones, to make roads and to do other useful work. Here you are treating them as if they are your honoured guests. They get beef, they get mutton, they get chicken, they get eggs, they get vegetables, they get fruits—they get everything.

Why do you treat them even better than an ordinary free Indian? You should not do it. Then there are very large numbers of American troops—you cannot object to them because they came at a time when they were really very much needed and they will continue to be needed in the future. But certainly the Government of India can make some arrangements for the importation of beef from Australia from Canada or anywhere else or they may be pleased to go off beef—let them content themselves with something else.

The Honourable Mr H S Suhrawardy Is it not the agriculturist who sells the cattle and not anybody else?

The Honourable Sir Chhotu Ram I do not know whether my Honourable friend is an economist or not he may be one and therefore that may account for his going astray. All that I know is that cattle are a very serious item which go into the economy of a cultivator. They form a very serious part of his expenditure on cultivation. There is no escape from that.

I now come to other items of a cultivator's requirements

	1937			1939			1943		
	Rs	A	P	Rs	A	P	Rs	A	P
T iron per maund	0	8	0	10	8	0	25	0	0
	(if available at all)								
Angle iron per maund	8	0	0	9	8	0	30	0	0
Rods	8	4	0	11	0	0	25	0	0
Girders per cwt	10	0	0	10	12	0	42	0	0
	(again if they are available)								
Buffalo leather per maund	30	0	0	35	0	0	150	to	160
Cow leather per maund	40	0	0	45	0	0	125	to	160
Kerosene oil per tin	3	12	0	3	12	0	5	12	6

Kerosene oil is a controlled article. But the controlled price exists only on paper. I know it. The price fixed per bottle of kerosene oil in most districts is three annas per bottle but it cannot be had except for three or four times this price.

The Hon ble Sir A Ramaswami Mudaliar That surely is for the provincial government to control.

The Hon ble Sir Chhotu Ram But the supply is in the hands of the Central Government. The result is the blessings of the black market.

Matches per gross in 1937 was Rs 1 10 0 to Rs 1 13 0 in 1939 it was Rs 1 13 0 to Rs 1 14 0 and in 1943 it was Rs 6. In the case of piece goods, the index number stands at 559. As regards wages of labour I am afraid I cannot quote precise figures but I know it to my cost that I had to stop irrigation constructional programme because I was simply unable to procure unskilled labour. The rough index figure which has been given to me is 392 as against 100 in August 1937 1938 and 1939. Now Sir there are two more things to be remembered in this respect one is that the prices which I have quoted are mostly wholesale prices the cultivator gets less for his wheat than wholesale prices and he has to pay for his requirements a good deal more than wholesale prices which really exist only on paper. I am glad to say that the Foodgrains Policy Committee took notice of at least this fact that a cultivator gets for his produce less than the wholesale price and he has to pay a good deal more than wholesale price for articles of his own requirements. How can any one accept the statement of an interested party like the Government of India that there has been a disproportionate rise in the price of wheat. Shall I tell you the price of wheat? On 15th June 1937 the price of wheat per maund was Rs 2 15 0 on 15th June 1939 it was Rs 2 3 0 and on 15th June 1943 it was Rs 10 13 0. Now by an ordinary arithmetical method you can find out whether the rise in the price of wheat has been larger than the rise in the price of articles of the cultivator's requirements or whether it has been smaller. Along with this fact we should also remember that for ten long years from 1929-30 to 1939-40 the cultivator had to sell his produce at less than the cost of production and the cost of production was calculated according to a very wicked method of making calculations. I deliberately call it wicked because under this method no allowance whatsoever is made for the labour of the cultivator's family. Are cultivators expected to live on air? If

made for their labour, what are they supposed to live upon? This is another factor which differentiates the Punjab from other provinces where there are big landlords who really live upon the fruits of the labour of their cultivators, the tenants. The tenants sweat and toil and the big landlords enjoy all the good things of life without having done anything. The Punjab is not a province of big landlords, but it is a province of small peasant proprietors who work themselves. Therefore he is entitled to have some allowance made for the labour of his family.

I may be allowed to pass on to another factor to which a good deal of attention seems to have been paid by the Government of India. It has been dinnered into the ears of the Central Government that the grower has grown immensely rich so much so that a retired I.C.S. officer from the Punjab who probably spent 35 years of his life in the province told me that he had heard (and presumably believed) the report that it was difficult to find a tenant in the Punjab who had not at least a thousand rupee note in his pocket or at his home. This is a myth, and I am sorry to say that an officer who served in the Punjab should have the audacity to say so. I will give you exact figures from very reliable sources untaunted by any manipulation by any representative of the Punjab Government, much less by Sir Chhotu Ram. Here are the figures from a Government agricultural farm in Montgomery.

1939.	1943.	Number of tenants	Number of tenants under debt	Number of tenants free from debt	Number of tenants with deposits in their own bank at	Note	Aggregate amount of deposit per head
66	130	60	60	70	70	45	Aggregate amount of deposit per head in September 1943 is Rs. 97-12-0.
66	100	None	None	None	None	45	

The position has improved. We are glad that it has improved. But where is the one thousand rupee note which he is supposed to have. Here is a tenant, cultivating land on a government farm where he is not allowed to be exploited by anybody, where there are facilities for getting proper water supply at the proper time, and after four years of war, he has had no more than Rs. 97-12-0 in his private account.

Now, take another farm which is being managed by representatives of one of the most important departments of the Government of India, the Army Department. I refer to the military farm at Okhara.

Number of tenants free from debt in 1939 was 311 out of a thousand. The aggregate amount of debt per head was Rs. 34-6-0. The number of tenants with deposits was 311. The aggregate amount of deposit per head was Rs. 16. That represents the picture in 1939. The picture today is this. The number of tenants free from debt was 793 out of 960. The amount of debt per head was Rs. 18-7-0, and deposits per head Rs. 130. That shows the measure of the prosperity of the tenant which has been dinnered into the ears of the representatives of the Central Government. Now, Sir, I will draw attention to certain other features which distinguish the Punjab from other provinces. The Punjab is dotted over with a number of Indian States big and small. Its borders on Rajasthan, and whatever the amount of control the provincial Government may be inclined to enforce control remains a practical impossibility. We have been speaking of the economic unity of India; we have been pressing from the very time when control began to the thought of that until control is instituted and enforced in all parts of a province and in all parts of India, control will fall most miserably. I will give you an instance of what is happening in some of the States of the Punjab. There is one little State the total annual revenue of which does not exceed Rs. 1,25,000. The Conference will be surprised to hear that not less than 15 lakhs of rupees has been made in that State by the despatch of grain from that State to Bengal or Bombay by purchasing it at a low price in our province. There is another State which purchased wheat or in the bazar at a lower price than in their own territory, and they raised

direct to Calcutta or some other deficit area and made large profits. You can easily imagine the feelings of a Punjabi cultivator who has to sell his wheat at Rs 10 8 0 and sees his neighbour at a distance of half a mile selling it at Rs 12 or 12 8 0, or even Rs 13. That is one of the most serious difficulties which faces Punjab. Again, I think it will not be wrong if I draw attention once again to what the Punjab has done. We have been exceedingly responsive to any suggestions that we have received from the Government of India. So far as war effort is concerned, I have already stated that the Punjab is responsible for a little more than 50 per cent of the combatant ranks of His Majesty's forces. So far as contributions to various war funds or war loans are concerned the Punjab has done a great deal more than will be indicated by its area or population or wealth. The Punjab is not an industrial province, it is a purely agricultural province, and if the Government of India is going to deprive the province even of that legitimate source of income, what is going to happen to us and what is the Punjabee going to think of the Central Government? We have done all that we can to promote the war effort, also to promote the 'Grow More Food' campaign. We put as much as 33 million acres of additional land under food crop. We suffered a terrible loss of 20 crores of rupees on account of the control imposed on price of wheat in 1942 and on account of restriction of movements of millets in kharif in 1942-43 and as a result of our having reduced the area under cotton by no less than half a million acres. On these three items alone the Punjab suffered a loss of 20 crores and yet it has been suggested by many people that the Punjab has been influenced by motives of greed and selfishness? Is that so? We suffered that loss and did not complain. Now compare the action and attitude of the Government of India. They held out an assurance that they would give Rs 2 per acre on any area that is withdrawn from short staple cotton and placed under food crops. We were able to withdraw no less than half a million acres of land from short staple cotton in 1942. The kharif of 1942 in the Punjab was exceptionally good, our increase in kharif crops was 18 per cent in area. I think the same percentage would also have been shown in the area under cotton or perhaps slightly less. On that basis we deprived our grower of the additional moneys which he would have received on his cotton in respect of no less than 63 or perhaps 700,000 acres of land. And just see the manner in which the Government of India have behaved. They refused to pay us even that insignificant amount of Rs 2 per acre. They say that this money must go direct to the pockets of the cultivator. That is an impracticable proposition and shows the knowledge that they have about agricultural conditions in the Punjab. The money will stick somewhere on the way, for every rupee that the Government of India pays the cultivator may not get more than four annas. That is one great difficulty of universal character. But in the Punjab there are other conditions. We have a very huge area under cotton which changes its cultivators from year to year. To insist that this money should be paid to the cultivator is to insist on an impossibility.

Hon ble Sir R. Mudaliar: What is your scheme?

Hon ble Sir Chhotu Ram: My proposal was that the money should be placed to the credit of the peasant welfare fund.

Hon ble Sir R. Mudaliar: Which includes the cotton grower and other persons and the Ordinance required that the Government of India should distribute it to the cotton growers. Let the facts be fully stated.

Hon ble Sir Chhotu Ram: My complaint is against these technical objections. But I believe one of our representatives has seen the Government of India representatives twice. We can make another attempt if it will bear any fruit. The peasant welfare fund is meant for the benefit of small landowners, and although in the U. P. or Oudh a small landowner may mean one who pays any land revenue up to Rs 10,000, in the Punjab it means one who does not pay more than Rs 25 as land revenue in a year. Any addition to that fund would benefit a large percentage of those who are deserving of it. If that does

not appeal to the Government of India we can devote the whole amount we got to starting research on cotton alone. Some third alternative may I no inclination to give any time to the representations that are made to More than a year has passed and we have heard nothing yet. There was any civil disobedience in the province, there was no sabotage to speak of, were able to cope with these troubles, but if price control is introduced sense in which the Government of India is thinking about it, I am afraid the turmoil, disturbance and dislocation in the ordered life of the province by the advocates of civil disobedience failed to produce there may be a confession. I refuse to claim that the Punjab Government will be able to make what many happen in the wake of price control. Thinking of requisitioning cultivators, that is a thing which I shudder to contemplate.

Let me now turn to another topic. The Government of India have making a profit at the expense of the Punjab. They purchased wheat Rs. 10-8-0 and they charged Rs. 11-10-0 to Bengal f.o.r. Punjab rail stations. Here was a clear profit of Rs. 1-2-0 per maund. Who has pocketed that profit. It must go either to Bengal or it must come back to us. Then U. P. has been selling wheat at Hapur at Rs. 3 to Rs. 4 per - maund high. What sin has the Punjab cultivator committed to deserve his present position. On the left bank of the Jumna the cultivator is allowed to sell wheat at Rs. per maund, on the right bank of the Jumna the Punjab cultivator must sell wheat at Rs. 10-8-0 or Rs. 10-4-0, and God alone knows why the Government of India is thinking of price control of Punjab wheat when they have failed to control everything else. Then, the U. P. Government has been allowed to make a surcharge of Rs. 3-2-0 per maund on gur exported to the Punjab which is a very heavy consumer of U. P. gur. We consume as much as 30 lakh maunds of U. P. gur. That means a loss of one crore of rupees to the Punjab. The Punjab has been made to suffer as a province of growers; she has been made to suffer as a province of consumers. This is the result of the unfair attitude which has been adopted by the Government of India all through towards a province which deserves twenty times better treatment than any of the provinces which are the special favourites of the Centre.

(After lunch.)

Chairman: Who wants to speak?
The Hon'ble Sir Chhotu Ram (Punjab): Another ten minutes for a few

Chairman: All right. I will give you five minutes.
The Hon'ble Sir Chhotu Ram: Very well. Sir, I had a good deal more to say but in order to save time, I will try to confine myself to only five minutes more. During those five minutes' time I will give you a few more constructive suggestions if you care to take notice of them. In the first three minutes I will relate two or three or more things which will throw light on the fact as to who is responsible for bringing down prices and who are the people who are responsible for the rise all round and who are now anxious to see that prices of food-grains alone should be brought down to a low level.

Now, Sir, Sardar Baldev Singh, my colleague, made an offer to Mr. Subramanyam: let us take our wheat products to Bengal and let us sell them either at your price, or if you do not agree to that we will sell our wheat products at the price we pay here plus ordinary transit charges. Mr. Subramanyam did not agree to either of these proposals. He said: "I will not allow you to sell cheaper than we are doing because that would mean selling the same commodity at two different levels." Now his agent is there. He is purchasing wheat products in the Punjab at ordinary Punjab levels and is either selling at a price higher

these are people whom we all admire, Sir Chhotu Ram will never be in the unhappy position of Bengal and be a deficit province, and that he will always be in a position to ignore control of prices. I was not quite certain when hearing the first speeches whether the debate on price control today was going to refer to two very controversial topics, namely, the prices at which receiving government should sell their commodities and the prices at which selling government should sell their commodities to receiving governments. These two principles raise very serious problems but they are hardly the subject matters of discussion at a plenary conference. I hope that the Government of India will not lose sight of these two principles which should be founded on the principle that no receiving government should make a profit out of the produce received from other governments and no selling government should make a profit out of the sales.

Firstly, to talk about receiving governments. As I was once upon a time gathered here at this conference, I wish to make the position clear, if the Honourable Members of this conference have not seen our new policy that the profits that were made unwittingly by the Government of Bengal on wheat and wheat products transactions are in a very fair way of being wiped out. I need not go through the whole of the controversy at the present moment, but our prices which were fixed by our advisory committee and which were based upon supplies which we never received, which were based upon expenses which were never incurred, resulted in profits going up. It caused us a certain amount of perturbation. At one period of time there was an idea that this might go towards lowering our other food grains prices. But ultimately we decided to keep it apart altogether and to utilise it only for stabilising prices of wheat products. As I said, the increase in prices caused us a certain amount of perturbation and we lowered the price by one anna; that was not sufficient; we have lowered the price by another anna; and this so far as our calculations go will wipe out all the profits on wheat transactions and even if this is not sufficient we would have no objection in lowering prices still further. As regards the other fact, namely, at what prices other provinces should sell their commodities to the receiving provinces, I would ask you to consider the matter seriously whether surcharges are permissible under the law, whether export duties from one province to another are permissible under the law. There are some provinces that we are aware of that put on a surcharge and export duties for the purpose of finding certain reserves which they can utilise for lowering the prices of food grains. For myself, I would have no objection to paying high prices, but I think . . .

Hon'ble Sir Chhotu Ram: Will you please allow me to put one question? When you say you made no profits, I put a simple question: whether it is or it is not a fact that your representative in the Punjab has purchased 41,000 tons of wheat products, landed at Calcutta at about 12/8, and that the stuff is being sold at Rs. 15 or Rs. 14 per maund even so there is a clear profit? Hon'ble Mr. H. S. Suhrawardy: Yes; we have taken all this into account but I may inform the house that the price is not Rs. 12-8-0 landed at Calcutta but much more. As I have already stated this is another aspect of that question and one does not depend upon the other. I think that these two principles can be kept separate, that no government shall make a profit on its imports and no government should make a profit on its exports. These are two entirely different matters and I think a directive from the Government of India on these two points will be very useful. I leave the question at that. I did not think that Punjab would rise to the bait—I had not even referred to the Punjab. There are other provinces which charge as much as Rs. 2 or 3 or even 4 . . .

Hon'ble Mr. H. S. Suhrawardy: I am talking about exporting provinces. We shall leave it at that. I only wished to point out this to the Government of India that they should keep this in mind. As regards price control, naturally price control as an economic theory and in ordinary normal times is a fallacy. There is no need for price control if the

times are normal, and if there is supply, the prices will adjust themselves to the forces of supply and demand. But we are at the present moment living in very abnormal times. We have been disturbed by anti-social elements, there is hoarding, there is profiteering, there is an attempt to take advantage of scarcity, there is control on movements and free trade has been abolished and therefore new forces are at the present moment at work. Then, there is want of confidence and therefore some sort of control is necessary in order to counteract these forces, and to instil confidence amongst the people. There is one other reason why, in Bengal at least, price control is absolutely essential, and that is to counteract the effects of inflation, and not merely that soaring or rising prices accentuate inflation, but the inflation which has taken place in Bengal owing to money having been concentrated in certain hands, and money also having been scattered far and wide, inflation due to the presence of troops, inflation due to compensations paid for acquisitions, inflation due to the presence of Americans in very large numbers—all these have resulted in an exaggerated demand and an ability in some quarters to pay a higher price than ordinary people can afford. The result of this is that supplies tend to be drawn to those quarters and those sections of the people that can afford to pay the price and the vast majority of the people have to suffer on account of the rise in prices. Therefore the control of prices is absolutely essential to counteract this effect of inflation. We have introduced a control in prices at a very critical moment in our economic existence. After the barriers were put up, prices began to rise steeply. There was no question of any further supplies being brought in by this trade from outside. It became therefore a question of distribution by Government and prices rose by several points. As I have said before, I took the risk of price control knowing fully well that a black market would develop. If there is no foodgrain in any particular place, then there must be a black market. At the same time, this has been justified because we have been able to bring down prices in most areas. You may have seen in the papers from time to time that rice has dried up in the Bengal markets and probably that is the general impression, because the papers that are out to defeat price control and are out to defeat the policy of our Government are the papers that are most widely read. In most places in Bengal rice has not dried up and it is appearing in our markets. Our price control policy has not failed. It is only in those places where there is scarcity of rice and there has been a scarcity of rice that there was no rice and it is in those places that prices may have risen to Rs 60 or 70, owing to scarcity. If you watch the papers, you will find that only 6 or 7 places are mentioned over and over again. You will not see new places being mentioned, where rice has dried up. Our policy has further succeeded to the extent that we have been able to bring down prices in nearly all our markets. As I told you on the last occasion, the black market price at the present moment is Rs 25 in Calcutta when the price stood at somewhere near Rs 45 when price control was introduced. I think the price control has been entirely justified and more than justified. I want the Government of India to realise this, because there seems to be an idea somewhere in the Government of India that our policy has failed. Within three weeks we have been able to procure more grain than we purchased in the last five months, and therefore I believe that at any rate for deficit areas price control is the only solution by which you can prevent profiteering and you can still get grains on the market and through which Government can effect procurement.

It seems that there is some difference being made in certain quarters between price control and statutory price control. Being rather dense, I do not see much difference in logic. Price control by means of control of supplies and transport and by monopolies is controlling prices as effectively as statutory price control. Sir Chhotu Ram's tirade against the Government of India appeared to me to be not so much against price control but against the policy of the Government in not paying a higher price to the Punjab agriculturist for the wheat and Sir Chhotu Ram's sole point is that the price of wheat in the Government of India is prepared to procure the wheat is a

by the prices of other commodities which the Punjab cultivator has to purchase nothing to say to that argument. It is quite clear, speaking on behalf all agriculturists, that the agriculturist must be secured a fair price, comparable to the price of the commodities which he has to purchase. But that is a different thing from not having price control. Sir Chhotu Ram's anxiety for his cultivator is perhaps deeper than mine although I do feel extremely grateful to the Punjab cultivators. I received a very good reception from them at Bengal and sell at even lower prices to Bengal rather than respond to the price of India was prepared to pay a higher price. Therefore, Sir, I have the deep sympathy and, if I may say so, affection for the Punjab cultivator, for a manner in which he is prepared to respond to the call of his brethren Bengal. Quite a substantial amount has been placed on the market without any price control as such. I do not know what is in store for the Punjab peasant. I do hope that he will continue to get a fair price and will continue to come to the rescue of his Bengali brother, and that the Punjab Government will not suddenly decrease its procurement to 10 tons a month. At the same time we hear of wheat being imported. A new crop coming on to the market which may well result in prices sagging and it may perhaps be to his advantage to sell at present prices rather than hold off in the hopes of getting a higher price which may never fructify.

There is one other thing I would like to say before I sit down. I have a feeling based, I am sure, on erroneous theories of economics that those who have been able to keep their prices down have been able to do so to a very large extent because they have surpluses within their area. They may declare themselves as deficit provinces in order that they may be able to get some more food grains. I do not think that unless and until Government takes possession of the entire crop and is able to distribute the entire crop, it can by mere manipulation keep prices down, unless there is a surplus and unless those prices are warranted by the stock position. For instance I would challenge any of these provinces to maintain their price at the level of Rs. 8 to 10 with a deficit approaching that of Bengal within their areas. They will not be able to do it and therefore price control in deficit areas has got to be backed up not merely by supplies and by control over distribution but by a very strong enforcement policy and by the full power of Government to enforce those prices. In that respect, I know that we have not got that machinery to the required extent. We have an enforcement machinery but not to the required extent. We have not the stocks and therefore it is not possible for us to manipulate prices, through stocks but in spite of this, if we have been able to bring down prices, I think that the policy of price control is more than justified. I feel that stronger executive action is necessary and therefore, coupled with any price control policy I welcome any policy that may be laid down on behalf of the Government of India to secure a stronger enforcement organisation.

Government of India to secure a stronger enforcement organisation.

Mr. H. C. Ansorge: In view of the statement regarding the success of our price reduction scheme in Bengal, which has just been made by the Hon'ble Mr. Suhrawardy to the effect that more foodgrains have been secured in 3 weeks than during the previous five months at rates from Rs. 20 to Rs. 25, against the previous price of Rs. 45 to Rs. 50; and in view of the acknowledged success of the scheme in Assam and Orissa, may I request the Central Government to issue a statement contradicting the press report, erroneously attributed to an office of the Food Department, to which I referred on the first day of the conference, which stated that the scheme had failed in Bengal? As I stated previously, our own experience has been that we have reduced prices by this means from about Rs. 26 to about Rs. 15 to 17 and at the same time have been successful in bringing out stocks into the market.

Mr. Suhrawardy: This remark is addressed to the Chair, namely, that there should be a contradiction on behalf of the Government of India of a statement.

Mr. Sutawady: This remark is addressed to the Chair, namely, that there should be a contradiction on behalf of the Government of India of a statement.

prices by this means from about Rs. 26 to about Rs. 25. The time have been successful in bringing out stocks into the market. Mr. Sutarwady: This remark is addressed to the Chair, namely, that there should be a contradiction on behalf of the Government of India of a statement

ascribed to one of your officers, namely, that the provincial control policy of the Bengal Government has failed

Chairman That we shall do

Mr Suhrawardy A departmental letter has also been sent to your Secretary on behalf of our Food Commissioner pointing out to him that our price-control policy has not failed but that it has succeeded. I do not know whether you are in possession of that letter

Chairman That statement was never made. It was misreporting

Hon ble Sardar Mohd Aurangzeb Khan (N W F P) Sir I have travelled from Peshawar to this place and I have only a few observations to offer on this subject. My first observation is to the effect that unless and until you have sufficient and adequate supplies a policy of price control will be neither here nor there. My second observation is that the stocks of an agriculturist are always available and are easily accessible and if you are putting a statutory price control over the produce of the cultivator then his demands must also be made available to him in the same way in which his produce is being made available to the rest of India. This is an issue between the agriculture versus industry. I shall congratulate the Government of India if they show the same courage as they have shown in the case of the Punjab when they have frozen their stocks of wheat in the Punjab by freezing the stocks in trade of the industrialist. There are two necessities of life mainly (in addition to sugar kerosene etc) as I understand it food and cloth. The food you can have from this charlatan of a cultivator because he does not know how to conceal these things and if you can succeed in bringing the cloth to the market in the same abundance as you propose to bring food to everybody in India I shall congratulate the Government of India on that bold step.

My next submission is this. Let me say that I am very fond of the simile of the elephant. The Punjab is the elephant and the Frontier is like a little fox. We depend entirely on this parent province of Punjab. If the prices in the Punjab are high then there is lot of smuggling from my province. If you can think of the control of prices throughout India on the same level and there is no middleman's profit we will welcome it. If you can ensure against this profiteering here and there then I think a uniform policy of level prices throughout India allowing for local variations must be welcome by anybody and everybody. But there is a proviso to that. Take for instance the case of the cultivator. I know that in the Punjab in normal peace times the price of wheat is Rs 5 a maund. I can also say about the Punjab and the Frontier that the cloth which the cultivator had to purchase was about 8 annas a yard and it is now being sold at Rs 2 a yard. We have heard about the standard cloth for a long time till it became a legal fiction and it was only on the 1st of August that the legal fiction became a fact as far as my province is concerned and I am grateful to the Government of India for this act of grace. If you can make the foodstuff available as you must make it as the Central Government then I beg of you that you must also make available cloth especially in the rural areas. Sir Chhotu Ram will endorse me when I say that the standard cloth so far has been confined to the urban areas. It should be made available to all and sundry. If you can make both the stuff available the industrialist's cloth and the cultivator's produce you will be doubly blessed. With these remarks I wanted to make my position quite clear and I have made these observations for what they are worth.

Hon ble Sir Mohd Saadulla (Assam) Mr Chairman in my opinion after the decisions of this Conference on the procurement basic plan and rationing which were arrived at yesterday there was hardly any room for such a long debate as regards price control. If the Conference has accepted the recommendation of the Long term Food Committee about acquiring distribution and consumption it is but inevitable that all these processes must impinge on the control of prices. If this is admitted then the only point that is whether we should leave price control to be adjusted by the trade channels and to the law of supply and demand or whether for statutory control. I am not very familiar with conditions

other parts of India but from my experience of my own province of Assam, I can say definitely that at a time when transport is difficult to obtain for carrying civilian goods, at a time, when even on a slight aerial bombing by the enemy, the normal channels of trade in Assam were choked, and the traders fled from the country, at a time, when, on account of the very high prices that are in vogue in the neighbouring province of Bengal the only solution of bringing down prices was by way of statutory control of the principal foodgrain, rice and paddy. Therefore, Assam had already adopted statutory price control as regards rice and paddy. It has been working since 15th September and, as I mentioned yesterday, at least in one part of the country the experiment has proved highly successful.

I have listened with great attention to the presentation of the case both for price control as well as against price control, but I think it will be a misnomer to call the oration and peroration of the Punjab representative, Sir Chhotu Ram, a deterioration of, or a deviation from the principle of price control. All that he emphasised is that there should not be any accentuation, or imposition of further measures of control that are already in vogue. He pleaded in very earnest and sincere terms that the cultivator should get his *quid pro quo* for his agricultural produce. I yield to note in my solicitude towards the cultivator. In our part of the country, we had passed a period of ten years when the average price of rice per maund was in the neighbourhood of Rs. 3. As against that the price shot up after the imposition of free trade to over Rs. 35 per maund. Therefore, I am at one with those who have advocated that the price of rice and paddy should be related to the prices that the cultivator has got to pay for his other requirements of life as well as the implements for his cultivation. The Committee has also made the same recommendation and for ready reference I will read Recommendation 69.

"Although complete unanimity has not been reached, the overwhelming majority of the all (major) foodgrains in all provinces, and also similar control of an increasing number of non-agricultural commodities, particularly those necessary to the cultivator should be undertaken."

I think there is hardly anyone round this table who can speak against this recommendation. But the main difficulty as regards the statutory price control is the inadequate supply behind. Each Government must keep sufficient reserve stock so that when they find that the commodity has been scarce—as it is likely to become scarce, when price control is enforced,—can bring their own stocks to the market and feed the people. Happily, the Assam Government has got sufficient stock in their reserve and therefore the partial success—partial not in the way of measure but partial in the area in which this experiment has succeeded—is due to the fact that they had and have procured stocks as reserve. But I must sound a note of warning against Recommendation No. 71, which says:—

"Statutory prices should not be fixed without the consent of the Central Government. The Centre should have the right to suggest changes of prices both upwards and downwards."

My note of warning is by way of precaution and want of appreciation of the unique position of Assam amongst the representatives of upper India and specially by the Central Government. If it is said that Assam is in the "front" line of the battle zone, if it is said that it is a "frontier" province, I may use an ungrammatical term and say that so far as economic and agricultural requirements are concerned, it is in the "front" of the front line. I will make my position clear. Unlike other happily situated provinces, we cannot look to the east or the west for any help to make up any deficiency in foodgrains amongst us. If we go towards the east, we receive a shower of bullets or aerial bombardment from the Japs who are just beyond the border. The only other place we can look up to is Bengal where we meet only with ricians, groans and tears and they shout "*Et tu Brute*", "have you also come to take something out of us". No doubt we are in sympathy with them and we carried back 250,000 souls, indigent people from Bengal to be fed from the slender resources of Assam. It has been calculated that within the course

of this year as many as quarter of a million destitute people from Bengal has been transported to Assam through the connivance and active encouragement of Bengal administrators. The enormity of the situation can be gauged from the fact that in a small place like Gauhati with a total population of only 30,000 people it was found after a regular census that they were maintaining 2,000 indigent beggars from Bengal for about six months. This is the unique position of Assam. We have got to look to the distant Punjab for our supply of atta and flour. We have got to get gur and sugar from U P and Behar and these commodities have to be transported over 1,500 miles before it reaches our province. We have to look to furthest south Tuticorin and furthest west Porbhund for our salt. Therefore all these necessary foodstuffs which are not produced within the province had to be imported at Government expense for being distributed to the people not free of course, but at very nearly the cost price so that the people can have the commodities wherewith to live. The prices for these are necessarily higher on account of transport charges and therefore we have got to see that the cultivator in exchange for his own product rice gets sufficiently remunerative prices for his labour. I mentioned yesterday that we aimed at stabilising the price of common rice at Rs 16 a maund. If we succeed then we think we will have done a very great service to the people of Assam. Fortunate Behar aims at bringing it down to Rs 10. Now if according to this recommendation No 71 and also according to the advice tendered by some Honourable Members who have spoken and last by my Honourable friend the mountain of a man the Premier of Peshawar that prices throughout India should be one I think the Assam cultivator will not get a just and equitable deal. I am therefore opposed to this interference from the Centre in the matter of fixation of price at which rice and paddy should be controlled.

Germane to the subject of control I want your indulgence to speak a few words about tongue control. I should say that the utility of conferences of this nature lies in the fact that it behoves the representatives from every area to bring their information to a common store house to have then experiences pooled, sifted and examined and lessons drawn for the benefit of all India. I was literally pained to see that representatives of British Indian provinces getting up and accusing others either of profiteering or of malpractices. Even the States were not immune from that accusation. What pained me still more was that representatives of the States at least in two speeches levelled serious criticism of the administration of the British provinces by their Ministers. One Member a dazzling deputy of a dependent State criticising the Ministers of British provinces called them prancing Premiers. I ask not only the Punjab but also Bengal that they should put their own house in order before they ask other Provinces to follow their examples and to all and sundry physician heal thyself.

The Honourable Sir A. Ramaswami Mudaliar It is with great hesitation that I intervene in this discussion. I shall not call it a debate and my only excuse is that I personally consider that the proposition now before the conference whether there should be statutory price control or not is the crucial issue at this conference. There has been a certain amount of criticism of what may be called the control policy of the Government of India. Conferences like these are not new to me. I have myself sat in the Chair over several conferences from the beginning of the war. I do not remember a single occasion that the Government of India took up a position that it knew all and will dispense all to all provinces. On the other hand it has been the policy of the Government of India as far as I know—I have not been in touch with it only for the last about twelve months—it has been the policy of the Government of India to get whatever knowledge, assistance and advice they can from the various provincial government representatives who are most intimately in charge of these problems and therefore have the most intimate knowledge of these problems and thereupon with that assistance which they can get from the provincial administrators to put to those who are not able to do so their brethren across the frontiers suggestions which may

issue today and in this discussion. Now what is the argument against price control? What possible argument can even the Punjab advance against price control? The one argument that has been advanced is that you should take the agriculturist's position into consideration. You control the prices of his produce but you do not control any other prices. This is an argument that I have heard over and over again in price control conference. Now it is not a fact in the first place that food or even wheat is the only thing that has been controlled or is now sought to be controlled. Time after time various other commodities have been brought under control to the extent that the Central Government can bring them under control. The very first notification issued on the 9th September 1939 within a week after the outbreak of the war brought under price control the necessaries of life and the necessities of life have been catalogued in that order. They are matches kerosene salt food stuffs and certain kinds of clothing even and the provincial Governments were given power to control them. It was I believe at the instance of the Bombay Government who were the first to awake to their responsibility in the matter that this price control was instituted within a week under the Defence of India Rules by the Government of India. But let me go further. What are the articles that are now under control? Textile cloth which was repeatedly said to be uncontrolled and which was the one thing that was advanced as an argument against the control of foodstuffs has been brought under control.

Hon ble Sir Chottu Ram On paper only

Hon ble Sir A. R. Mudaliar I heard a good deal of argument about standard cloth. I have heard it suggested that it was only on paper or that it was merely window dressing on the part of the Government of India. Fortunately in this conference there are some delegates at least who have attended various conferences on price control at which this question of standard cloth was considered. And I maintain—and the printed proceedings will prove it—that the Government of India were anxious time after time to introduce the standard cloth scheme and to have the provincial Governments take up this standard cloth at controlled prices. In this very hall over there I had samples of standard cloth prepared in spite of the opposition of several provincial Governments who felt quite legitimately that the handloom weaver would suffer if this cheap standard cloth of the mills was to be introduced. Madras was one and Bihar was also against this scheme. In spite of that the Government of India took all the technical advice that they could had these samples of standard cloth manufactured by the mills and in April 1942 we exhibited at that corner various samples of standard cloth like dhoties sarees etc. And in spite of all that neither the Punjab nor the North Western Frontier Province nor many of the other provinces took advantage of it. Assam was one of the few provinces which asked for a million yards of standard cloth and to a certain extent Sind also came and asked for it and some of the States also asked for it. So now to turn round and say that the Central Government only mulcted the agriculturists and does not—as was said by the Frontier representative—dare to interfere with the industrialists is a complete travesty of the facts and I do not want to say more than that. We have controlled sugar production again a manufactured article and when my friend Sir Chottu Ram says that the control of sugar does not work. I only wish to point out that the sugar is delivered at a particular price to Government and to nobody else. Sugar is sent by the Sugar Controller to the Governments of the provinces at fixed rates and they pay at that rate. It is only delivered after they pay that amount and if after that sugar is sold in the black market surely the Government of India must be discharged of all liability. It does not lie in the mouth of any one provincial Government to say that sugar is selling at black market rates. Now Sir drugs have been controlled cloth has been controlled and in a few minutes my Honourable colleague the Commerce Member will make a statement which will prove interesting to this conference. I do not want to anticipate that statement. But when we are bringing every article under control as far as possible of the manufactured type and when we have tried to work this control now the position is reversed and they say that we should

keep the foodgrains out of control and should control all the rest of the cereals. That is what the argument of my Honourable friend from the Punjab comes to. At one stage he was quite right when he said that we should take up only control of foodgrains but also take up the control of other articles and when the Government of India have patiently pursued this process after a good deal of investigation and trouble,—because it is not a matter which can be done at once, when they have introduced price control of various things we are asked to leave the agriculturists alone and that is an argument which I find very difficult to understand. Let me take the case of the agriculturists of I come from an agriculturist province and I am an agriculturist myself. It looks as if none of us at this table coming from deficit provinces and some of the Governments represent the agriculturists at all but only the surplus provinces are anxious about the fate of the agriculturists. Time after time at these Food Control Conferences I considered that the representatives of the provincial Governments were the best advocates of the wishes and interests of the agriculturists; and that is why we did not include, as a matter of policy, direct representatives of the agriculturists. Who can be more directly and in an unbiased way interested in the agriculturists than the provincial and State Governments who get direct taxes from the agriculturists by way of land revenue? The Government of India has its income-tax and it may be said that it is not interested quite so much;—but here are the representatives of the agriculturists. Now what is the position of the agriculturists? At the time last year the price of wheat was about Rs. 5 or Rs. 5-4-0; today in the Punjab it is selling at Rs. 10-4-0, and the inclination is to sell it at even higher prices. In Sind it is controlled at Rs. 7-8-0; in the U. P. it has gone on to Rs. 18. Now the argument was raised that wheat alone was controlled and rice was not controlled. That again is a fallacy. At these Price Control Conferences rice was not excluded; and time after time the question of bringing rice under control was taken up. In the April 1942 conference, which was one of the last price control conferences that I presided over, various Governments interested in the production of rice pointed out that the index figure of rice was only 169 in April 1942, whereas wheat had gone over 200,—it was about 220,—and that the time had not yet come to control rice. In the face of the unanimous recommendation of the rice producing provinces, Bengal with its 8 million tons of production, Madras with its 4½ million tons of production and various other States and rice growing areas, the Government of India which although dictatorial as has been described, wanted to respect the wishes of the provincial Governments and abide by their advice very reluctantly postponed consideration of the question of the control of rice. Not that there was any special partiality for rice or rice producing provinces but because the opinion of those who best knew the conditions was that the time had not yet come for controlling the price of rice. But even then a recommendation was made,—and that is what I should like to draw attention to,—it was pointed out that rice stood on a different footing from wheat, and for this reason. There can be an all-India price for wheat. In the markets that were prevailing, the main markets of Hapur and Lyallpur and the market of Sind, the parity of wheat prices was almost the same with a difference of 2 to 4 annas. The Punjab wheat, Sind wheat and U. P. wheat were all sold at more or less the same prices with this difference that U. P. was 2 annas above Lyallpur and Sind was about 4 annas above Lyallpur. Therefore taking these provinces and Bahawalpur and one or two States into consideration, it was felt that an over-all constant price and fixed price can be imposed on wheat and that the Central Government can ratify the price that was agreed to by all these provinces. Objection was taken that the Central Government should not come in. The difficulty is that if 4 or 5 areas are producing and if you leave it to each area to have its own price control statutorily, there will necessarily be divergence ^{seen} one area and another and price control is bound to fail. Therefore ^{body,}—has I will not call it 'authority' because that is anathema. to co-ordinate these prices and say what price will prevail being an all-India product in that sense it was possible

ment and it will still be possible in proper circumstances and conditions,— I do not suggest that these conditions exist today,—to fix one price for wheat throughout the country.

With reference to rice there are varieties of rice and want of parity between one area and another. There is not the same price between Punjab rice and Madras rice or between Bombay rice and Mysore rice, between Bengal rice and Madras rice. Therefore apart from the fact that varieties of rice are innumerable and the fact that in each area in India the prices were even under normal conditions of supply and demand different, it was considered desirable that price control should be operated by regional boards. It was suggested, for instance, that Madras, Travancore, Cochin and Mysore can form one area, pool their resources together, fix one price which will be applicable throughout that area and have the rice distributed on that basis. Similarly Bombay and C. P. and parts of the States might join together. And if Bengal, Assam, Orissa and parts of Bihar form one area and prices are fixed by the regional boards the regional board has to make that recommendation to somebody who can fix the price. That is where the Central Government comes in. It is inevitable that it should come in if that scheme is to operate. That was the scheme accepted in 1942, in spite of the fact that at that time most of the delegates did not feel it necessary to have control of price of rice. They said that they would watch the situation and work the scheme which was suggested by the Central Government and on the advice of the representatives of the April conference this was the scheme put forward. I ask again what is wrong with a scheme like this with price control working statutorily? I call it statutory because the Central Government's notification must issue under the Defence of India Act. What is wrong with this price control and who is it that will suffer? I can see no possible objection to a scheme like this and I can see all the advantages of having a scheme like this instead of a scheme where manipulation of price brings about some tentative and temporary results. As to what period it should operate under any fixed price whether it should be for the whole of the season beginning with the time when the agricultural crops begin to come in or whether it should be varied from time to time—these are details which can be worked out when groups get together with the provincial and Central Governments as to the actual price level to be fixed.

Let me advert to one or two other things which my friend Sir Chhottu Ram has referred to this morning. He pointed out that in various matters the Central Government has been remiss. He pointed out that black markets are existing that the Central Government itself entered the black market against their price control. It may be so it may be that certain agencies of the Central Government in their anxiety to make purchases for the military have done it. The military, as you will recognise has an overwhelming interest which goes far beyond price control and it may be that they stepped beyond price control and purchased at these higher prices. But if so earnest attempts must be made to see that that is not repeated when once statutory price control is fixed.

Many references were made to blackmarketing. Now nobody in his common sense can suggest that when statutory price control is operated blackmarketing will not be in existence. Sometime ago I read in England that there were 58,000 cases of blackmarket punishments in a year in that area of well disciplined people and that the fines collected amounted to over five million pounds—a heavy and deterrent fine. That is what makes it impossible for a blackmarket operator to function. You must punish him only by punishing his greed. The blackmarket operator would very much like to go to a prison and still have his profiteering but if you hit him in his greed that is the only way how he can really be punished. Blackmarket did exist and will exist. Price control will not abolish blackmarket. But I venture to state without any fear of contradiction that blackmarket may be reduced to a minor where strict statutory price control is enforced.

My Honourable friends spoke of stocks going underground. He said many harsh things of the Government of India, but this is not the time when we can or want to justify ourselves. We have to do something. People are famishing, people are starving. We cannot afford to indulge in self-justification. But I can say this that there are difficulties of requisitioning. When an officer sends a nil return from a district which is a granary of that province at a certain time and a few weeks later we are able to unearth many tons in that area, it seems there is something very wrong somewhere I won't say more than that.

A great deal has been said about iron and steel required for the agriculturists, and other necessities. I have said that the Government of India has under consideration the question of controlling the prices of all the necessities and other requirements which the agriculturist and the common citizen desires, and my Honourable friend will make a statement on that. In particular reference to iron and steel required, the Government of India agreed to release more steel in spite of the pressing demand of the military—and I must offer my thanks to the military in this behalf. I do not know what the position is but I venture to think that if provincial Governments are willing to take on the responsibility of getting that steel themselves and making the agricultural implements themselves or through agencies of their own and having it distributed to the agriculturists, I do not think personally that the Government of India will have any difficulty in agreeing to that. Let us not go away with the impression that one or two persons alone are interested and the rest of us are not interested in this.

It was also said that the Government of India is a purchaser and therefore a perpetual antagonist of the producer and that therefore the Government of India should be treated as accused. I think it is an entirely wrong and erroneous understanding of the positions of the Government of India. There is no desire on the part of the Government of India to exploit any class whatsoever simply because it has to purchase

The Hon'ble Ch. Sir Chhotu Ram: It has been doing.

The Hon'ble Sir Ramaswami Mudaliar:

But on the other hand whether it is an agriculturist or an industrialist, the Government of India must buy in the interest of the general public and the general tax-payer at reasonable prices alone and not have prices dictated to them by any particular group, whether it is an industrialist group or whether it is an agriculturist group. The Government of India would be failing in its duty if it did so. In the industrial field, we have controlled the prices. The Supply Department is in best position to say how it has regulated its prices. A great deal has been said of the Supply Department officials—their bloated salary various activities of the Central Government. I have heard all this already—in the press and on the public platform. But I did not expect that statement to be made in a responsible conference like this by a responsible administrator. It will not take me long to justify what the Government of India has done and is prepared to do, but I shall not enter into that question.

There was some statement made about the killing of agricultural cattle, and as there many people interested in it here, I should like to make the position clear. 66½ per cent. of the military requirements in the shape of beef or preserved meat comes from overseas. It is only 33½ per cent. that is produced in the way of fresh beef or fresh meat in this country. It is not as if all the soldiers—American or English—that have come over here are a drain on the resources of cattle flesh of this country, but the Government of India has had very much in mind this problem and has taken steps to see that from the earliest stages the drain, so far as cattle flesh is concerned, is as little as possible. Moreover there have been rules made and inspectors have been appointed by the military to see that neither cows with calves nor cows which are in the milking stage nor bulls that are capable of hard work are sent to the slaughter houses. At every military slaughter house there are persons who are required to see that no animal which comes under these categories is slaughtered. The cattle are kept I understand for 21 days before they are allowed to be slaughtered. I may also say—I cannot, for obvious reasons—

the exact figure—that the total increase in the number of cattle slaughtered during this war is 3 per cent more than it was before the war, 103 cattle were being slaughtered all over the country before the war, 103 cattle being slaughtered now. These are inescapable facts but the trouble with the Government of India is it might put out any number of communiques but the end of it all just is the export policy has been criticised somebody or other will say all the grain in this country is being exported to foreign places all the cattle slaughtered. To the administrators such as those that I know before me that is not an uncommon problem that they have to face. Their communiques their assertions are always received with a pinch of salt. But I venture to hope that those who share the responsibility of administration will accept these facts when they are put forward by authorised officials. Mr. President I do not wish to take up more time of the conference but I venture still to hope that this conference will resolve on this policy that statutory price control of foodgrains—as statutory price control of various other commodities that are necessary—is essential and that the co-operation that I have seen with gratitude being extended to us from almost all delegates at this conference will be given a practical shape and be shown in practice by accepting this crucial recommendation of the Foodgrains Policy Committee.

Sir C. P. Ramaswami Iyer (Travancore). I do not propose to deal with the suggestion put forward by several provincial delegates which were if I may be permitted such a remark mutually destructive. I shall only deal with three aspects of the matter.

I listened with considerable interest to the long and most instructive speech of Sir Chhotu Ram. I do not propose to deal with his arguments in detail but shall confine myself to one sentence arising out of the programme he indicated before the Government of India. He said—and I trust he will correct me if I am wrong—that the main remedy for the present state of things is to let as much foodstuffs imported from Canada or Australia as possible and when he averred the prices will come down of their own accord. I take it that he is right. But I was puzzled to reconcile this with his case regarding the agriculturists' profits. If on account of the import to a very large extent of Canadian and Australian wheat the prices come down to a smaller figure what would happen to the Punjab agriculturist whose implements are being overestimated in price and who has waited so very long in the lean years and is now being deprived of the advantages of the war period and whose profits have to be safeguarded. May I indicate what is the case in my own agricultural state. There was an expert committee on co-operation that was set up some years ago and that committee arrived at the conclusion that the rural indebtedness of Cochin and Travancore was in the neighbourhood of 25 to 30 crores 8 years ago. And my own agriculturists—and my country is essentially an agricultural country—have advanced exactly the same argument. They have said Our rural indebtedness is admitted and immense. This is the chance for our getting some good prices. Why don't you allow us to get those prices? Why should we not export to other countries where we can get good prices? My friends from Tanjore and Trichinopoly—I trust I am not delivering them over body and soul—to my very capable and enterprising friend Mr. Ramamurti have said If you give us two rupees more somehow or other we will send rice from Trichinopoly and Tanjore. We have had to impose very rigid price control. We started doing it in 1940 and price control has been in operation not only with regard to agricultural produce but with regard to allied products also and on the whole that price control system has not failed. We are paying our agriculturist a fairly good price. We are paying Rs. 9 per maund to our agriculturist. But what are we doing for our purchases from outside. We have purchased worth nearly 2½ crores of rupees and Cochin has purchased worth about a crore. At what price? Between Rs. 14 and Rs. 19 per maund. That is the price at which Travancore has been purchasing their own paddy and rice during the last 8 years. Paddy and rice from Kashmir, from Sind from the United Provinces from the Punjab. And we

...the things at the rate of Rs. 14 to Rs. 19 per maund ... they are glad to get ... such high prices to ... The Travancore Government took ... within the state and started string ... riots all over the country with ... to avoid that. We had therefore to

...price control, I ask my Honourable friends ... in a country which pays its agric ... from outside at 14 to 19 rupees per ... at prices which are nowhere ... certainly not to gain by it. We have made up our ... It is a wrong, uneconomic, an-unscientific, and a fa ... his losses are not to be counted meticulously ... to sell even at a loss. It seems to me, therefor ... price control—it is not a matter of academic discussion ... of life and death. I think the prices must be brought to some c ... we do not know where we shall be. It is the uncertaint ... the difficulty. Supposing we know that we cannot g ... at Rs. 20 per maund. Well, we shall have to take the necessary fir ... to get it at that price.

We feel that without some price control no solution can be attempted ... I trust I shall not again be accused, as I was accused this mor ... of preaching sermons. But as I have been reminded this problem of ... is not an economic problem. It is not the problem of the agricul ... or the industrialist but it is a comprehensive human problem. It is a spi ... problem. Is there going to be one kind of general distribution at ce ... rates throughout the country or not? If there is not, Ind ... bankrupt because it has failed to equate human needs and hu ... sympathy and cooperation.

Chairman: Any representative of the Indian States wanting to interv in the discussion?

Mr. S. K. Kelarkar (Kolhapur): There is urgent necessity for price cont in this country. There is one aspect of the question which I hope to lay bef the House, which to my mind is a very important one. Prices have now be stretched to such an extent that the whole economic structure of the count will break down. I know that people have paid as much as Rs. 80 for a b of rice or wheat, because without it they would have starved. An ordinar man of say 6 in the family has to pay at least Rs. 20 a month to buy h grain foodgrains alone, leaving aside such things as clothes, house rent an other subsidiary things. The average income in this country, leaving asid those gains accruing to labour at the moment in industrial towns, is from si to eight annas. I know people, in order to get their food at prices at which they can get it, have sold their pots and pans and whatever accumulations they had for ages. I think we have reached a dangerous stage and all that I can say is that it is the business of the Government of India to see that food is made available to its people, not only that but at a price at which they can buy it.

Mr. E. C. Ansorge (Bihar): While we in Bihar agree entirely with what Sir Ramaswami has said, I think it only fair, in view of the remarks which have been made as regards the attitude of provinces to the control of prices of rice, because at the time I was not serving in Bihar province, to reiterate what I said at the beginning of this discussion viz. that since 1940, Bihar has pressed for price control of rice. In 1941 and again in January 1942 a conference was organized by Bihar in Calcutta and the provinces in the Eastern region agreed that the Government of India should be pressed upon the subject and be asked that steps should be taken to control prices in that region.

Chairman: I take it that no one else wants to participate in the debate. I take it then that the consensus of opinion is in favour of price control.

(The Conference accepted this statement with acclamation)
Sir Geoffrey Burton (C P.) May I ask if that excludes the method of ceiling prices?

Chairman No

The Hon'ble Sir Chhotu Ram (Punjab) All buyers on one side

Chairman They generally are It is a syndicated world

Sir Geoffrey Burton (C P.) The proposed recommendation in paragraph 1 is associated with the price control of foodgrains Does that go as well with agricultural products? It lays down the minimum requirements under which price control conditions may be granted

Chairman It embraces all the paragraphs referred to in the agenda

Khan Bahadur Mian Abdul Aziz (Kapurthala) Whenever price control does come in is there any objection if any Indian State for domestic reasons decides upon a price which is lower than the price in the neighbouring areas? This is just to take away the accusation that from British India foodgrains trickle into Indian States

Chairman There can be no objection to your fixing a lower price

Now Gentlemen the Commerce Member will be addressing you at 5 o'clock We have 20 minutes So I will take up the next item on the agenda which is the first item fixed for today This relates to a discussion of the recommendations of the Foodgrains Policy Committee that concern the other departments of the Central Government I do not think we need take every one of the numbered paragraphs If any one has any remarks to offer on those recommendations he may do so now But all the recommendations are of a general nature and I think acceptable to the Conference The Secretary will call out the numbers

Mr R H Hutchings The first recommendation affecting other departments is item No 1 of recommendation No 1 referring to Agricultural statistics

The Hon'ble Mr H S Suhrawardy (Bengal) I would like to suggest that there should be a Central Agricultural Statistical Bureau, to be presided over by a leading statistician of this country and branches of this should be opened up in various other provinces

Mr R H Hutchings We will consider that

Item No 8 recommendation No 8 regarding Seed distribution—No comments

Recommendation No 9 regarding Compost manure—No comments

No 10—chemical fertilisers

Sir C P Ramaswami Iyer (Travancore) With regard to the question of Chemical Fertilisers, steps are being taken in certain localities and it is hoped earnestly that the Government of India will encourage us in this respect

Mr R H Hutchings Well, I may say for the information of the Conference that the question of increasing the production of such things as ammonium sulphate is under active examination and we are considering importing the necessary plant from abroad to undertake this manufacture

No 11—increased irrigation—No comments

No 12—preservation of milch cattle I think that has been dealt with by the Honourable the Member for Supply

Item No 13—an increased steel quota for agricultural implements That also has been dealt with

No 14—importation of tractors—No comments

No 15—facilities for fuel and lubricating oils for the purpose of agriculture—No comments

No 16—crop restriction legislation

Sir Geoffrey Burton (C P.) The Government of India should consider the advisability of themselves acquiring certain crops in certain areas

If this was not done, other foodgrains might be substituted in these areas and consequently no advantage would be derived thereby

I therefore suggest that we have a regular all India plan for the

That can only be done by the Government of India and I think

will agree with me We actually proposed that the C

themselves take the responsibility to do this We felt "

essential that we should know how much cotton we should grow and leave it to us to do the rest.

Mr. E. C. Ansorge: I may say that in Bihar we feel the same difficulty. We feel rather doubtful about this change over in cultivation; and unless we have some indication of the relative advantage of a particular crop it will be difficult to manage it.

Mr. A. D. Gorwala: May we know this para. 16 in further detail? When are the rules to be issued by the central government? Or have they been issued?

Mr. Hutchings: I know that they have been compiled but I would ask the representative of the E., H. & L. Department to reply.

Mr. S. Basu: The Defence of India Act has been amended to empower the Government of India to issue rules delegating the power to the provincial governments to regulate these powers; and the rules at present are under the consideration of the Government of India. The rules will be actually issued by the Defence Department. They are the department who will actually issue the rules.

Mr. A. D. Gorwala: I would only say that the rules were under consideration when the committee first met; and they had been under consideration for over ten months and they are still under consideration.

Hon'ble Sir Chhotu Ram: I am on principle opposed to any compulsion whatever being exercised in the way of regulating crops. If any provincial government has any useful advice to tender to its cultivators, well and good. Nothing more should be attempted. However these powers are only permissive and therefore I am not raising any objection to these rules being framed or gazetted or issued or notified. But we should not be expected to give any compulsory direction to our cultivators in the way of regulating crops. We can depend upon persuasion and we feel sure that if advice is well conceived, it will be accepted, our cultivators have faith in us and we expect they will follow the advice which we give them; but we are not prepared to agree to any compulsion.

Mr. Hutchings: Recommendation No. 18—restriction on the milling of rice.

Sir C. P. Ramaswami Iyer: I think this conference may be interested to know that in the state of Travancore milling of rice has been penalised. All rice mills have been purchased by the Government of Travancore at prices which were fixed by the Government; and the engines in the rice mills have been utilised for the purpose of pumping water for dewatering and starting fresh cultivation. We find that in the net result that we have been able to relieve the sufferings of the agricultural hand-pounding population of over 50,000 people. They are now getting employment where they were formerly unemployed. Our system of compensation was practically accepting the approximate cost price of the millowners and giving them an extra percentage by way of solatium; and at present I am glad to say that there is not a single rice mill out of the 200 and odd rice mills which existed in the state before.

Hon'ble Sir Muhammad Saadulla: The experience of Assam has been otherwise than beneficial. Experts in the Government of India calculated that the total shortage of rice in India was to the extent of 5 per cent. and that over-polishing or full pressure milling is responsible for about 3 per cent. of it but that under-milling will replace a part of that shortage. We tried that experiment but to our misfortune we find that instead of gaining 4 per cent. of food grains, we lost nearly 2 to 3 per cent. thereof. I have brought a sample of rice that has been undermilled according to the advice given to us from the centre; and if anybody wants to look at it they will find that it contains at least 2 per cent., if not more of whole paddy—probably it is due to the paddy not being properly graded before milling. The smaller grains of paddy are not husked at all and the paddy remains as it is (shows sample). No householder will eat this paddy mixed rice and the whole paddy grains are picked off at the time of cooking. This picked off grains are wasted as no one collects them for rehusking.

certain figures mentioned by the Honourable Smdar Baldeo Singh in his memorandum circulated to this Conference. He says that the Punjab has received only a very small quota. According to our figures, the total despatch to the Punjab up to the end of last week was near about 14½ million yards of cloth and during the week we have despatched another two million yards. The aggregate total which has been despatched to the Punjab alone up to the week ending the 8th October was thus over 16½ million yards. We are not aware of the amount actually received in the Provinces and States and we are just now collecting figures as to the actual quantity received in the different provinces and States. We now propose to take up the problem of quicker transport in consultation with the War Transport Department. We are also taking in hand other control schemes.

Here I may be pardoned if I refer to one or two figures which have been discussed across the table, notably from the Punjab; it was said that cloth prices rose to 55G. After the April scheme, it has come down to 275 over the normal.

I now come to the other steps which the Department has taken. We have already taken adequate steps for a greater supply of iron and steel, specially for agricultural implements. We are still awaiting replies from some of the provinces as to how distribution should be arranged.

K. B. Abdul Aziz: What about the States?

Hon'ble Sir Azizul Huque: I cannot say. This relates to the provinces only. As regards kerosene, we are taking vigorous steps for increased supply. This is contingent upon the availability of a large number of tankers. We are taking vigorous steps in this direction and we hope it will be possible to have an increased supply. We have under contemplation, and I can assure you that necessary steps would be taken in the next few days for the control of the price of drugs. Besides the control of drugs by regulation, we shall also ease the present situation by greater availability of drugs from abroad for use in this country. I do not think I need mention all the other matters. For example, we are taking steps about the supply of electric bulbs and matches. We are already controlling chemicals in various forms. We are also taking up the question of films and newsprint. We also hope to expedite the supply of paper for civilian consumption, which has become almost a desperate affair in many parts of India.

But in the meantime the Government of India are convinced that the time has come for a more drastic remedial action and it is necessary for the civil power all over India to have at its command a simple but effective instrument to stop these anti-social hoarding and profiteering activities. The Government of India have therefore decided to promulgate an anti-hoarding and anti-profiteering ordinance and the ordinance will be promulgated tomorrow.

This Hoarding and Profiteering Prevention Ordinance gives power to the civil authorities to take necessary remedial measures. It is not intended to cut across any provincial schemes which may be working well but is designed to supplement and reinforce Provincial efforts in the campaign against hoarding and profiteering.

The ordinance applies to all articles other than food, those in respect of which Controls are already working, such as cotton textiles and such as may be exempted from time to time. It is applicable to every commodity other than food. As I have said before, where an article is already controlled by special law, it is exempted under the provisions of the ordinance but if there is no control, this ordinance will bring everything into it. It provides for a general control over all unexempted articles as well as for a more specified control over selected articles. It prohibits the producer and the dealer from possessing stocks in excess of certain limits and the individual in respect of a stock in excess of the quantity reasonably required for the normal use of his family.

In regard to prices, the underlying provision is that nothing at a price exceeding 20 per cent of its landed cost or its cost of

subject to what is allowed by normal trade practices. Where there is no normal practice, it should not exceed 20 per cent.

Provision exists to fix, in respect of any article which is not the subject of control already or which is exempted, its price, the maximum quantity that may be possessed by a producer or a dealer and the maximum quantity which may be sold to any person at a time. Further, power is taken to direct the producer or dealer to mark his prices on the articles meant for sale.

Section 13 lays down the penalties for infringements of the order. These it will be seen, are heavy. The object in view is to hit at the big profiteer and hoarder and not proceed at random against the 'smaller fry'.

To implement the provisions of the Ordinance, as also to obtain uniformity of action in all provinces, a suitable organisation with a Controller General at its head is being set up. He will tour extensively and keep in close touch with the provinces and the trade. It is hoped to establish advisory committees, vermin, representing manufacturers, distributing trades' and consumers' interests with a view to keep in touch with public opinion and to enlist the full co-operation of the public, which stands to gain the most from the successful operation of this Ordinance.

The ordinance itself will show its other special features, such as the provision for cash memoranda for certain sales, exhibition of price lists, marking of prices, etc. We are making only a general provision in respect of certain details. Experience alone will show whether we need any revision in our procedure but I am convinced that for the time being this will be an effective instrument in our hands provided all concerned and especially the public at large co-operate with us in putting a stop to profiteering and hoarding in any form.

I do not think any further explanation is needed from me to emphasize the importance of this Ordinance. War in modern times necessarily brings in its train all its inevitable dislocation but when soaring prices strike at the root of wages and income, at a time when a large portion of the nation's productive powers is either turned over to the production and supply of defence articles or is being used in other war time activities, it is a case for Government's intervention to take all effective steps to protect the interests of the consuming public. This has undoubtedly a vital connection with the food problem of today. If the millions of people are to get foodgrains at a price within their available income, the grower must get his consumer goods at a correspondingly cheap price. He cannot be expected to sell grain at a cheap rate, while prices of other commodities are abnormally high. Such is the nature of social economy that a change in the price of one commodity never leads to a perfectly corresponding change in the prices of other commodities. We have therefore attempted to rationalize profit and while we are prepared to allow a fair profit to every one in the chain of production and distribution, the economic defence of India is a matter of primary importance and each of us owes an obligation to maintain that front. With transport problems, with imports and exports greatly restricted normal economic conditions are inevitably disturbed in conditions of war and if any one in the chain of production and distribution chooses to utilize the opportunity for inordinate gain, he should have no sympathy anywhere within the four corners of this country. He completely upsets the economic life of the country and commits a heinous offence against the community in general. The Hoarding and Profiteering Prevention Ordinance gives the necessary power to the Centre and the Provinces to cope with this evil and I appeal to you all and through you to the wider public to co-operate with us in rooting out this great evil of today, wherever it exists. As the Ordinance was promulgated on yesterday, I have the privilege of speaking to you about it this afternoon. (Loud Applause.)

Chairman: Would any member like to ask any questions from the Commerce Member about what he has said just now?

Mr. Sukrawardy: May I compliment the Hon'ble Member and the Government of India on having passed after all this Ordinance. In 1939 when I was

Minister of the Government of Bengal in the first Ministry there was a sudden rise in prices immediately after the war was declared. There was no reason for the rise in prices except the danger of restriction in imports. At that time I had the painful privilege and duty of arresting a large number of these gentlemen, some of whom were Knights and millionaires and magnates. The result was that prices fell down almost at once. I had intended to bring in an Ordinance at about that time to restrict profits to something like 20 per cent above their cost. At that time I was prevented from doing so, so far as I remember, by the then Government of India that had a theory of replacement value. They said it does not matter what is the cost to a particular person provided he should be permitted to sell not at 20 per cent. above his cost but at the price at which he could replace that commodity. All my attempts to stop profiteering disappeared. But I am glad that the Government of India have now accepted the other view.

Mr. Ansorge: I wish to refer again to what I said yesterday, namely, to getting the courts to give adequate sentences. It is no use having heavy penalties if these penalties are not inflicted. I would again invite the attention of the Government of India to what has been found necessary in the United Kingdom, namely, the fixation of a minimum sentence. These minimum sentences should be pitched high enough to ensure that the punishment is such as is required for dealing with offences which are, as you have said, far more serious than the normal offences under the I. P. C.

Hon'ble Sir M. Azizul Huque: We have fixed the penalty high enough, but I know the nature of the evil to which Mr. Ansorge has been referring. I believe the remedy does not lie in any law but by making the public opinion much stronger than what it is today. I know that only last year there was a mild punishment in one court at a certain place and the papers all over India created a howl on this matter. Here the matter is not noticed and yet we are trying to safeguard the possibilities and I do hope that adequate punishment will be given. Surely if there is a case of that nature, the Government of India will carefully watch that situation.

Mr. Sukrawardy: The Government of India should leave it to the Provincial Governments to fix the minimum punishment.

Hon'ble Sir M. Azizul Haq: It is dangerous in a democratic age.

Chairman: I now pass on to the next item which relates to the attitude of the Food Department to recommendations of the Committee that concern the Food Department and are for the Department to initiate or complete action. The Food Department has accepted most of these recommendations. Does any member want any information or elucidation?

Mr. Hutchings: May I refer in particular to recommendation No. 86? It relates to the compilation of a Food Administration Manual. I would like to know whether in the opinion of the provinces and States the compilation of such a Manual would be of service to them. If so, what kind of a production they look for?

Mr. Gorwala: We understand that proposal No. 23 has been accepted.

Mr. Hutchings: Yes.

Hon'ble Mr. Saadulla: What about 60 (d)? Will the groundnuts be in addition to the rations or will the groundnut substitute some portion of ordinary seed?

Sir T. Gregory: It is in addition to that.

Mr. Hutchings: I may say for your information that we are taking advice from our Nutrition Experts as to the best way in which groundnuts could be used to supplement the ordinary diet. I hope to be able to give you information on that point.

Hon'ble Sir Chhatu Ram: I wish to say a few words as regards No. 84 with regard to the composition of the Advisory Committee of Prices. This Committee the Punjab insists upon a reasonable representation

tion should be given in consultation with the Punjab Government. The Government of India should not select an Adviser from the Punjab without consulting the Punjab Government. Hitherto, all the representatives on all important Committees have been taken only from trade.....

Chairman: I accept your suggestion.

Mr. Gorwala: Have recommendations Nos. 82, 83 and 84 been accepted?

Mr. Hutchings: All these three recommendations have got connected recommendations and we have not, I am afraid, been able to reach the final decision on them yet.

Sir G. Burton: Is No. 82 before the Conference now?

Mr. Hutchings: This is a question of the re-organisation of the Food Department and we are working hard at that now. I hope the Conference will understand that not only is the Hon'ble Member been in charge of the subject for a comparatively short time but that I have only been here for one month and during that time I have had to deal with all the 93 recommendations of this Committee as well as other emergent cases. We have come to the stage, I may say, of mapping out the whole of our re-organisation scheme, but I have not yet had an opportunity even of placing it before my Hon'ble Member. We regard this as a vital recommendation because, obviously we cannot operate efficiently unless we are properly organised and we do realise that the recommendations which the Committee has made and the acceptance which you have already expressed of the general lines of the long term plan do necessitate a vital re-organisation of the Department. We should take that up as No. 1 question as soon as this Conference has dispersed.

Sir G. Burton: I wanted to say something about the Food Board which you propose to constitute. If it is open to discussion, I wanted to suggest that you should have a sort of an Advisory Board attached to the Department. It should not be an ordinary departmental Board but something like the Central Board of Revenue or the Board of Revenue in the Provinces.

Mr. Hutchings: The Food Board, as I understand from the recommendation, is more or less a Committee of daily Conferences or weekly conferences of the principal officers of the Department and to that extent we have regarded it as the domestic matter of the Food Department.

Chairman: It is entirely a domestic matter.

Mr. Gorwala: Has No. 87 been accepted?

Mr. Hutchings: We accept the necessity for examining very carefully and revising where necessary the Foodgrains Control Order.

Mr. Gorwala: Has No. 88 been accepted?

Mr. Hutchings: We accept the necessity for continuing the Regional Food Commissioners.

Mr. Gorwala: I take it that the whole of Chapter XII has been accepted except the Arbitration Committee.

Chairman: That is what it comes to. Practically everything has been accepted, thanks to you, gentlemen.

Chairman: Now, we come on to the next item—Sugar.

Mr. N. C. Mehta (S. C. I.): Sir, I have three items for the consideration of this Conference. As the time is very short, I propose not to start with sugar and gur but with spirits. As you are aware, we have now to control sugar and gur in a comprehensive control order but we have left the question of controlling the most important by-product of the sugar industry, namely, the molasses. Now, molasses are very vital to the prosecution of the war. At present the bulk of it is wasted or makes the country-side unpleasant. As has happened in various countries during the period of the war, this precious commodity, the raw material of acetone, acetic acid, smokeless powder, motor fuel food yeast, marmite and manure has not been utilised to the extent that it should have been. The price of this article varies from two annas in the eastern U. P. and north Behar to Rs. 3 or even Rs. 8 a maund in Bengal. This article

translated in terms of motor fuel amounts to 20 crores of gallons. Only a fraction of it is at present converted into motor fuel. Large tracts of the country are starving for want of molasses. I have got ready a draft which proposes to integrate the distribution and the price of molasses as well as the transport of it. The two main provinces concerned in the matter of molasses, namely, U. P. and Behar have expressed their approval of this particular proposal. His Excellency the Governor of Behar has been good enough to telegraph to me his wholehearted approval of a Central Molasses Control Order. Barring these two surplus areas, practically every single province is in deficit in respect of molasses, both for production of potable alcohol as well as motor fuel. The whole object of this central control order is that it shall be controlled in the way that we have controlled sugar. I mentioned this subject at the last session of Food Conference and you were good enough to approve of the proposals on general lines. This proposal will have naturally to be implemented by provincial governments and I see no difficulty in the matter of implementing this order because thereby we shall not only be able to utilise this vital raw material which in some parts of the country is more profitable than the production of sugar, more effectively than it has been done hitherto. I only want your general approval to the principle before I take up the question of gur and sugar. I shall be glad to answer any questions that may be put about this molasses control order. I should tell you that every ton of molasses is equal to 54 gallons of motor fuel and that in terms of weight, the amount of molasses produced is about one-third of the entire sugar production.

K. B. Mian Abdul Aziz: There are two sugar factories in our State and this question of molasses has also cropped up in the State and this has also come to the notice of the Punjab transport authorities. We have been forced for some time to comply with the Punjab requisition that molasses must be sold at eight annas per maund whereas in the black market the prevailing price is between Rs. 7 and Rs. 8 a maund. Even without the black market contractors are prepared to pay anything up to Rs. 5. It so happens that under the recommendations of a particular department of the Government of India, a distillery may be established next door to one of our sugar factories. In fact, land is being acquired and molasses will be required for that distillery naturally. That distillery, I understand is being set up with the definite object of providing 60 per cent of its outturn in spirits and other things for defence purposes. The outturn of the molasses from the other sugar factory in the State will also be required for this reason. As you are aware the Punjab requires molasses for her own distilleries and they also import molasses from U. P. I do not know what price has been fixed. But the total requirements of the Punjab even if all the molasses from these two sugar factories or from the sugar factory of Gujranwala or from the sugar factory in Abdullabpur, even if all these were absorbed, they would still require at least 300,000 maunds from U. P. There is transport difficulty. I would request you to consider this and enlighten me as to what is going to happen within our territory. Within our own territory we have every right to do what we like. If imports are permitted into the Kapurthala State, then I shall be grateful if the same facility as would be available to the Punjab is made available to us. That is not all. As I told you on the last occasion, you have knowledge that a sugar factory is being set up in another State. I should like to know whether molasses from this other sugar factory will be available for the distilleries in the Kapurthala State. I submit that in regard to molasses, the Kapurthala State should have the prior right. I request you to consider these questions. I want an assurance that with regard to molasses in the Kapurthala State, we have every right to keep them for domestic consumption and use as we like.

Mr. J. C. Bolton (Sind): Sir, I feel that we are asked to express an agreement with a proposal of which we have no previous intimation.

Mr. N. C. Mehta: You are only asked to consider the principle of the proposal rather than the proposal itself.

Mr. J. C. Bolton: I am not sure what exactly the principle is. We are firm believers in detail. I notice one important omission in the utilisation of molasses and that is making country spirits.

Mr. N. C. Mehta: No. I have already mentioned potable alcohol.

Mr. J. C. Bolton: I have nothing further to say.

Mr. N. C. Mehta: I shall take it that so far as the general principle of total control of molasses is concerned, the principle is accepted.

I shall now come to an article of greater importance, namely, sugar. This is probably one of the commodities which has survived the vicissitudes of control. It is something that it has not been mentioned too frequently during the discussions of this conference. I propose to give you a brief balance sheet of the work that has been done during 1942-43. Sugar year begins from 1st December and ends on the following 30th November. We have distributed roughly speaking 11 lakhs of tons of sugar. I am glad to say that with the fullest co-operation of the War Transport Board, we are at least a month ahead of our scheduled time-table in the matter of despatches. All that remains to be despatched from an entire year's production from U. P. and Bihar to the rest of India is of the order of 70,000 tons. If my friend Mr. Philips carries out the work of transporting the quantity of sugar in his usual manner, there would be but little to transport during the month of November. We have already been able to provide certain provinces like Assam with 100 per cent of their allotted quota. We have provided the Bombay presidency with over 96 per cent of the quotas by 30th September of this year. My friend Sir Chhotu Ram who mentioned about some 'pigmented' markets previously in his province has also received over 8 per cent of the supplies, and if there is still black market in his province, the fault is not of the Sugar Controller who makes these supplies available to the provincial administration or to their accredited representatives. It is for them to see that these sugar supplies are distributed properly and evenly and comparative prices in rural and urban areas. I have heard a great deal about rationing and price control. From the very start we had to adopt rationing central rationing as far as sugar is concerned. We had to cut down the demand of provinces by about 30 per cent. As a result of better production this year we have been able to give a little more sugar, but even to this day, the provinces are receiving 25 per cent less than what the ordinary requirements would justify, because the available supplies do not provide for a more generous ratio. The way in which this rationing has been carried out is on the basis of previous consumption and it would interest you to know that the demand for sugar in this country varies from 1.3 lbs. per head per annum in a province like Orissa to 39 lbs. in the City of Delhi. The economic conditions are so divergent in this country that it is not a question of giving more sugar to any particular area, but one of varying economic resources of the areas concerned. For example the biggest producing area of U. P. takes only about 6 lbs. of sugar per annum as against 56 lbs. per head per annum. The biggest consumer in the country is, of course, the Bombay Presidency. On the whole, I think the members of this conference would agree that we have not failed to make supplies according to the promises that we have made. We have tried our best to meet your urgent requirements and if I have ventured to intrude upon your time at this very important conference it is because I want further support from you in working out the programme for 1943-44 and the year thereafter. I have never been clear in my mind as to whether sugar and gur are considered as food or not; sometimes they are so considered and sometimes ignored. I may say this that sugar and gur are one of the most concentrated forms of carbohydrates and the calorific value of these two articles is 12 per cent higher weight for weight, than that of any cereals. It is therefore vital that they should be taken into serious consideration if the dietetic requirements of the country have to be fulfilled. In the season 1942-43, we were able to produce 35 p. c. more than in the previous year, but it was about 15 p. c. less than the peak year 1939-40. The position is that while the price of sugar

risen by 48 p c since the outbreak of the war, the prices of other commodities have gone up several times higher. But for the timely action taken by the U P Government last year the supply position would have been far from happy, and I would remind the provincial Governments that it is time that we took serious notice of the supply position of sugar for the next year. Practically everywhere outside the U P, Bombay and Madras, production declined substantially. The provincial Governments, probably rightly from their sectional point of view, left their cultivators to reap the benefit of very high gur prices, and an article such as gur which was selling at half the price of sugar in the pre war period is now selling at 50 p c more than sugar. The questions which are agitating me as well as the Government of India are whether we shall be able to keep up the production of sugar not only at this same level but step if up still further, and I hope that I shall not appeal in vain to the representatives of the various Governments to see that the entire technological equipment at the disposal of this country is fully utilised. If our sugar factories were to work to capacity they are capable of producing at least 14 lakhs tons of sugar, and even if the factories gave me 12 or 12½ lakh tons of sugar next year the grievance about short supplies will automatically disappear. The consumption of sugar in this country has gone up enormously. Quite a substantial fraction is taken for defence purposes and the needs of the Defence Department have to be met readily and generously. Therefore it is no argument to say that because the factories are there they should be left to their own devices to get the necessary quantities of cane. The question is whether this article which has been rigidly controlled—and I hope supplied to the people at controlled rates throughout the country—should continue to be so, and that can only happen provided the production is maximised. There have been various difficulties in my way. There is a small State somewhere in Kathiwar with a population of 87,000 which has got ten years' stocks of sugar. It is a most powerful source of black markets. It has an export duty of Rs 10 per maund of sugar and has made lakhs of rupees by exporting to the neighbouring States. There are other smaller States which act as entrepôts for black markets in the Rajputana and the Panyab. These problems have still to be solved. There are other States in Kathiwar which sell an antiquarian kind of sugar at double the price that obtains in British India because presumably the rulers are interested to see that their citizens continue consuming rather oldish and moist sugar. We had the case of a State which got sugar from us as well as in the black market. It lost 4 lakhs of rupees before it was compelled to sell off the sugar from the black market at controlled rates. The distribution is on the whole satisfactory with the exception of Bengal. Bengal is still considering a proper system of distribution.

Hon'ble Mr. Suhrawardy: It has considered it.

Mr N. C. Mehta: Yes, but it has not been able to distribute sugar either at controlled rates or in sufficient quantities despite the stocks of sugar in the hands of the Bengal Government not now but for a long time past, and every suggestion that has been made has hitherto been found unacceptable. I am anxious to tell the administrations that so far as the sugar problem is concerned I shall be very glad to take over the distribution including the internal distribution of the province of Bengal, and do it from Simla, and I would ask the provincial administration only to give me its criticisms as to whether the supply is distributed or not at controlled rates. It is the simplest thing in the world when you have got the stocks, when you know exactly the people you will give it to, the quantity that you will give and the time in which to give, and I do not see any reason why that sugar should be allowed to deteriorate. Even the biggest producers of the country have asked me to take 20 seers of sugar all the way from Delhi to Calcutta. That is rather an exceptional case. I quite realise the pre-occupations of the Bengal Government. I only want to help them because I know Mr. Suhrawardy is most anxious that his people should get as much sugar and gur at the cheapest possible rate as possible. So far as my friend Sir Chhotu Ram is concerned, my greatest difficulty has been that

sugar could not be transported or that the factories could not despatch but that sugar has been such a fertile source of revenue for the various sections that my friends in some of the districts have found it easier to make a little money for the various funds and charitable objects and taxed the consumer of sugar indirectly to a far greater extent than the amount of money realised for these various funds. The heads of the provincial administrations have done their duty, but the smaller fry is impenitent and refractory, and I can only hope that this will not happen. There are some other cases. My friend the eloquent Mr. Rajwade had the merchants in the division of Malwa sell sugar at 10 annas a seer, making thereby a gift of only 10 lakhs of rupees to his merchants. This was against the spirit and the letter of the sugar control. We can only proceed on any control whatever on the basis that once the Central Government has passed the orders, those orders are implicitly obeyed and the fullest co-operation is forthcoming from the constituent units. There is no other basis on which any control of an all-India character can work; and while we had co-operation from 99.9 p. c. of the areas there is still some margin for various loopholes. In maximising production I will state the kind of difficulties we have to encounter. Again Gwalior have an export duty of 2 annas a maund on the export of cane to a neighbouring factory. That is a thing which cannot be tolerated and should not be allowed. Then there have been cases where cloth merchants have been entrusted with the distribution of sugar. There are the A. R. P. representatives who, perhaps, for want of suitable livelihood have been asked to handle sugar,—excellent avenues for employment no doubt but quite a fraud on the sugar consumers.

Well, this is of the past. We shall have just less than a month's consumption of sugar in the country by the 1st December. The season has already started in Bombay, in Mysore and in another month's time it will be in full swing throughout the U. P. and Bihar. But before that happens there are some very difficult problems to be faced and answered by the representatives here; whether cane and sugar prices should be equated to the prices of other commodities, whether the little virtue that we have should be allowed to be submerged in a welter of economic demoralisation, or whether a serious attempt should be made to bring down the other prices to the level of cane and sugar prices. Despite the fact that sugar is the second largest industry in the country it takes a small fraction of the cultivator's output of cane. Take the Punjab and Bengal which have been the biggest deficit provinces. During the last season Bengal should have produced 60,000 tons; it produced only 16,000; Punjab and Kapurthala were capable of producing about 30,000 tons and they produced only 10,000. All that I want is a fraction of the cane supply so that the few factories we have will work to capacity; and tomorrow I want you to tell me whether you want the price of cane to be raised 9 times as the price of rice has gone up or 5 times as the price of wheat has gone up, or $3\frac{1}{2}$ times as the price of jowar has gone up or $2\frac{1}{2}$ times as the price of bullion has gone up. It is a vital question for me. The Food Department has already given the dictum that sugar prices are to remain unchanged. If you agree with that there is nothing more to do, but the provincial administrations will have to see that this decision is fully implemented, because, it is perfectly correct that the sugar manufacturer as well as the cane grower have a legitimate grievance that they have not been able to get as large a share of this war prosperity as the growers of grain or the manufacturers of cloth. It is a legitimate complaint but after all in all these matters it is the practicable which is to be done. For example, since the passing of the Gur Control Order the Madras Government have already taken the necessary action. They have been anxious to see that the sugar output in that province is maximised in the year 1943-44. From Bengal I have a telegram that my proposal has now gone to the various departments concerned. It is at present moving in the corridors of the Bengal Secretariat. I hope that action emerges out of this peregrination and I am anxious that the Bengal sugar industry does produce something which Bengal so vitally needs. The decision is not likely

to be popular with the growers nor has sugar control been popular with the manufacturers. But if you desire to control this commodity any further you shall have to take a decision which will be deflationary in character and will provide all the sugar that India needs both for civilian as well as defence requirements.

I shall have to speak a little more about the gur control and about some peculiar features which have happened during this year tomorrow.

The Hon'ble Mr H S Suhrawardy (Bengal) Reference has been made to Bengal in rather uncomplimentary terms and to that I have got perfect replies to give. May I know when we are going to meet tomorrow to discuss sugar and gur?

Chairman I do not think we are meeting tomorrow to discuss sugar and gur. We shall meet at 12 o'clock tomorrow when I shall communicate to you the decisions of the Government of India on the matters debated in this conference. But if you would like to meet the Sugar Controller and discuss things with him, you can meet at 10.30.

(It was decided that the Conference should meet again at 10.30 on 16th October 1943 to discuss sugar and gur problems)

The Conference met again on the 16th October, 1943, in the Committee Room No 53 of the Council House at 10.30 a.m., with Mr. N. C. Mehta, I.C.S., Sugar Controller, in the Chair.

Mr N C Mehta Gentlemen I shall try and place before you some of the difficulties that are facing us in connection with the production of sugar for 1943-44. The position in August was that the cultivators were genuinely apprehensive that the Gur Control Order would be rigidly enforced. Since then there has been a certain slackness and I have been inundated with telegrams from sugar factories that unless speedy action is taken to get adequate supplies of sugar cane to the factories the output of sugar in 1943-44 may not even equal the production for 1942-43.

As I mentioned yesterday the Madras Government has been good enough to complete its plans already. In Bengal no definite policy seems to have been yet decided upon. I had the pleasure of meeting the Punjab Ministers who have promised wholehearted co-operation in doing their best and in ensuring sufficient cane supplies to their sugar factories. The position of the Punjab so far as the production of sugar is concerned is relatively mild. They have but two factories which are capable of producing 10 to 15,000 tons of sugar. They have, however, two other factories in the State of Kapurthala which depend for the major portion of their cane supplies on the Punjab but these are the concern of the Punjab Government because the bulk of the sugar produced by these two factories is consumed in the Punjab itself. The problem of Bombay does not really come into the picture at all because all the Bombay factories crush their own cane. In South Bihar the problem has always been difficult. It is an area adjoining Bengal where both gur and sugar have been fetching fantastic prices. Last year the production was extremely small. This year, however, with the ban on the export of gur, the position should be rectified.

But the principal factors in the sugar season 1943-44 are that immediate action is needed to ensure ample quantities of cane to the sugar factories, and unless that is done I am afraid the position of sugar supplies will be extremely difficult. If our factories are assured of a reasonable supply of cane, the production should show at least 10 to 20 per cent increase which would enable me to give at least 100,000 tons more for civilian consumption.

The question may be asked. Is it really necessary to undertake the responsibility for a considerable amount of discontent merely for the sake of producing an article which is after all one of urban consumption? The answer is that 95 per cent of the gur production of this country is consumed before the month of May. It is an article which does not keep. It is an article of inter-provincial trade chiefly during the months of November and the end of April, and if you do not take timely action to produce a sufficient quantity of sugar

the supply of the sweetening material in this country will fall very short of our requirements. So in the interests of steady supplies, it is vital that a certain parity between the production and prices of sugar and gur should be maintained. As I maintained yesterday, the quantum of control that will be needed for achieving this object is extremely small. The problem this year has been complicated by the fact that we in this country have not now a uniform economic price between one province and the other.

The problem of the Bengal sugar factories is perhaps most difficult. If the Bengal factories have to pay a price in parity with the price of rice or other food grains in that province, the price of sugar will have to be increased several times. Now it is a truism to say that there cannot be two prices for the same article in the same market. Bengal gets the bulk of its sugar requirements from Bihar and the U. P. Now it is quite impossible to expect that the U. P. or the Bihar Government will consent to let its sugar go into the Bengal market at the uniform exfactory control price and allow it to be sold at a price totally different or out of parity with the price prevailing in its own province. If there is any margin between the two, it either belongs to the producer in that province or it belongs to the consumer in the receiving area, and this is fundamental to any system of control.

Hitherto sugar control has worked with reasonable success because we had the co-operation of the States as well as the Provinces. We have been able to adjust small difficulties by allowing certain factories to keep what is called the freight advantage as well as the margins of wholesalers and retailers. But in a matter like this it is vital that a surplus area must not be allowed to profit itself at the expense of a consuming area. In times of war, a good many assumptions of peace-time break down, and one of the most ominous of these developments has been the advent of provincial nationalism in the sphere of economics. Now, this, so far as the production of sugar is concerned has been kept under control, and I hope you will agree with me that if the available sugar supplies of India are to be equitably distributed, provincial nationalism and provincial interests must be given their proper position within the Central framework. We have had a uniform factory price and it is at that price that we have provided every single province and state; and we hope to continue doing so. I only want your cooperation between now and the month of December in particular, so that the sugar output of the country may be maximised. We are capable of 14 lakhs tons production, and I shall be satisfied if we can produce 12½ lakhs tons, which will go an appreciable way in solving our difficulties. My trouble has been greatly increased in the matter of sugar supplies by the fact that a substantial portion of the demand for gur has been switched over to that for sugar. Sugar is no longer an article of urban consumption or of the rich people alone: as I find in Simla the poor people want sugar and not gur, because gur is more expensive and less stable and not of the same quality. It is for that reason that I want your cooperation. Questions have sometimes been asked: "What arrangements have been made for meeting the sugar requirements in rural areas?" That is primarily the province of the local administrations. I am giving a lump allotment to the various provincial governments. It is entirely in their discretion to distribute those quantities between one area and another. Judging from previous experience, the consumption of sugar in this country, especially in these days of very high prices, is not likely to be of the same order as people are apt to imagine. I told you yesterday that the consumption of sugar varies from 1·3 lb. per head per annum in Orissa to 39 lbs. in the city of Delhi, and roughly speaking 15 lbs. in the Bombay Presidency. So I want your fullest co-operation in this matter of sugar.

As far as the gur control order is concerned, I shall repeat that I have no intention of prohibiting the production of gur or trying to control the price of every imaginable quality of gur. My main object in the gur control order is that the sugar factories in this country should get their normal supplies of cane at prices fixed in parity with the sugar prices, which is an axiom which I think will not be disputed. This can be done by very simple executive measures.

One is the prohibition of the movement of cane from the factory areas which may be roughly defined as about 15 miles from a sugar factory. The second is that whereas in the U. P. a large amount of cane is supplied to the factories by cooperative societies and as in Bihar a large amount of cane is put in the reserved areas on which the provincial government undertake to spend considerable sums of money in developing those areas, there is a mutual obligation. Hitherto that obligation has been one-sided. I hope the Governments concerned will see that these factories are not starved for want of cane. In other provinces the problem is of a smaller magnitude. All that they have to do is to help the cultivator in getting his own gur requirements and his other requirements in the shape of agricultural implements, manure, seed, etc., controlled at concessional rate. All the same it must be recognised that the cane grower will have a grievance, just as the sugar manufacturer has a grievance at present, namely, that he is not able to reap as rich a harvest from his industry as his other colleagues elsewhere. But that cannot be helped. If you decide that it is worth while making sugar available at a reasonable rate to our consumers, both urban and rural, in every part of the country, then a certain amount of sacrifice will have to be imposed on the cane grower for a very small fraction of his cane output. If the provincial governments decide to give him a subsidy, so far so good. So far as the inter-provincial trade of gur is concerned, it is of a very limited magnitude. Punjab is the biggest importer of roughly speaking 150,000 tons of gur—125,000 tons from the U. P. and about 37,000 tons from the N. W. F. P. The other importing areas are the states in Rajputana which take about 60,000 tons of gur, and the Central Provinces. As you must have noticed, this inter-provincial trade of gur is not possible without the use of permits which will be issued in the same manner as in the case of the exports of sugar from the U. P. and Bihar. The local production of gur will be strictly reserved for local consumption within the province itself.

Hon'ble Mr. Suhrawardy: Can you have a basic plan for sugar?

Mr. N. C. Mehta: So far as the surplus gur from the U. P. which really is about 8 lakhs of tons, as against less than 100,000 tons of surplus gur in the rest of India, the position is simple. No gur export will be permitted except through government agencies. No gur shall be sent to anybody except to provincial administrations or their representatives and in accordance with their directions, at a price in parity with the price of cane supplied to the sugar factories, provided the receiving areas undertake to distribute the gur so imported at prices in parity with the prices actually paid. You will not expect the United Provinces Government to reconcile itself to paying a lower rate of remuneration to its growers if neither the Government nor the grower is satisfied that the gur that is exported by them is sold at a price in relation to the prices actually paid in the U. P. You may naturally ask whether such an action is administratively feasible. So far as the U. P. gur is concerned, the eatable gur, gur of a superior quality only, comes into the export market. Gur, for example, from the eastern part of the U. P. does not figure in the picture at all, or only to a very small extent. This gur is generally imported in large urban areas, and if the provincial governments were to cordon off the urban or a special market for the imported supplies, then it should be easy enough to fix the price of gur for the imported article at a uniform level and in parity with the price that may be paid. This problem only arises in provinces which are part producers and part importers, such as the Punjab. But in areas like Rajputana which do not produce either gur or sugar, the problem is extremely simple. All that they have to do is to sell the articles received or imported at a suitable price after adding the margins fixed for wholesalers and retailers. But if they are not able to do so nobody will have a right to blame the United Provinces Government for selling gur only at the market rates prevalent in those areas.

Hon'ble Mr. Suhrawardy: At the market rates of what?

Mr. N. C. Mehta: At the market rates of the receiving areas.

This is roughly in a nut-shell the scheme of interprovincial trade in gur; and as I told you, this problem really arises only between the months of

December to the end of April. Thereafter the problem is of small magnitude. I should also say that it would not be possible to send out large consignments of gur during the sugar crushing season, nor is it necessary or advisable in view of the difficult position of the sugar factories getting all the supplies of cane that they need. As a matter of fact, as you are aware, the ban on the export of gur last year by the U. P. Government in the month of December saved the sugar position for the entire season. I shall be very glad to answer any questions in this respect; but before I sit down, there are one or two matters to which I propose to refer. At present, the position is that the sugar controller has sent out a letter saying that the price of gur for the purpose of interprovincial trade will be a price in parity with the price of cane supplied to the sugar factories, plus an addition of 4 annas for other expenditure. The two provinces which have been exempted from the ban are the U. P. and N. W. F. P. They have been exempted simply because they were the only provinces with a surplus of old gur; but needless to say these provinces also will come within the orbit of the usual control, under a system of permits, from the 1st November.

A pointed question was asked yesterday by Sir Chhotu Ram whether it was a fact that there was a surcharge of Rs. 3-2-0 on every maund of gur exported from the U. P. The U. P. representatives doubtless will give the necessary information. This is a point which, perhaps, would elicit the opinions of the other provinces also. Mr. Ibbotson, would you like to make the position clear?

Mr. Ibbotson (U. P.): I am grateful for this opportunity to explain the position of the United Provinces. As you have seen on the paper we produce 300,000 tons of it surplus, and are very much the largest producers. I differ slightly from Mr. Mehta in the statement that this is only a problem from April to June. I have here the figures of the export of gur in 1938-39. They were—

30,000 tons in April,	12,000 tons in October,
34,000 tons in May	27,000 tons in November,
14,000 tons in June,	68,000 tons in December,
14,000 tons in July,	47,000 tons in January,
12,000 tons in August,	33,000 tons in February, and
12,000 tons in September.	30,000 tons in March.

So that, although there is a great fall between the December to April figures and the June to October figures, the movement does not cease altogether. However, that is not a matter which affects the general issue. The position of the U. P. Government is effectively this. They are most anxious to pull their food grains prices down in order to get them into parity with the Punjab and in order to benefit their own people and the rest of India. Foodgrain prices are at figures which stand somewhat like this—wheat 519, rice 537, cloth 411 and sugar in September 136, so that in keeping the prices of gur at the point of supply in parity with the prices of sugar or anything resembling parity with prices of sugar, we are inflicting on our cultivators a control which keeps a crop at, I think, the lowest figure in regard to parities of any article that is being dealt with in India today and we are anxious to maintain this low figure or as near to this low figure as we reasonably can, because we are against inflation like all the rest and we wish to work as one of the team which will eventually get prices down and solve this difficult food problem. But that is not to go to the extent of being willing to inflict those difficulties and to do this work ourselves in order that from 136 per cent. of prewar prices which we have given, the gur should spring up to 500 or 600 or 700 per cent. before it reaches the consumer. Neither do we think that if the gur does go to 500 or 700 per cent. before it reaches the consumer we are adding one pice to the price if we take Rs. 3 a maund ourselves. We do not take it from the consumer. We merely take a portion of this entirely unjustifiable profit which goes into the hands of middle men and people who are failing to submit to any control whatever. That is the case for this Rs. 3 a maund which we have been taking and we do not feel any sense of guilt in doing so.

I may say that this has not been their intention. The thing is all the gur being the most valuable and most fully worked, and consequently so much like the genuine thing we produced last campaign. We wrote to all the provinces and I am sorry to say that the Government would have let the gur in the U. P. and have given it in about the same thing but a reasonable charge to the Government of the receiving provinces and we received replies in which it was said that to be allowed to function at all from any province was. We would address all the provinces in the middle of August and suggested doing the same thing again. We have up to now, which is the 15th October, received only two replies, so that we are trying to help everybody to get their gur at a reasonable price and to put it on the market at a reasonable price. As to the future, an order has come out that there should be no more than a gross amount administration charges. That matter is still under discussion and I am not prepared to say at this moment exactly what we feel that we are entitled to take but the matter is concerned with the big financial problem of drawing down the prices of foodgrains and I hope that something quite definite will be available in the course of the next day or two. But subject to what the Government of India might do in that matter, we do not want to make a profit to put into any other activity of the Government except the activity of reducing the prices of foodgrains in order to enable our own people and other people too to get their foodgrains cheaper. We should make no attempt to take more than a rupee and if the Government of India are willing to help us we are perfectly willing to fall in with the proposal that we should take no profit at all except the four annas of administration charges if the gur reaches the consumer at nothing less than 20 per cent. over the price we buy, which is, under the new ordinance, the legal maximum price at which it can be sold. That is our position and we feel in no way that Sind has any right to poke fun at us at our Rs. 3 while at the same time it takes Rs. 3 a mowd in wheat. We have got the organisation. We are only too anxious to combine to get this gur on to the market at reasonable rates. We shall see what we can do to see that an excessive quantity is not made and that the factories get their cane but we are only willing to do that if we can see that the price to the consumer is properly controlled and if we can be sure that the Governments of the other provinces that we are out to help will really take up the matter and come along with their demands and make the necessary arrangements to take the gur from Government to Government.

Chairman: The proposal of Mr. Ibbotson seems to be eminently reasonable. The proposition is simply this, that the U. P. is prepared to fall in line with the rest of India in making available its surplus of gur, provided the receiving Governments undertake to distribute that gur at controlled prices.

Mr. L. P. Hancox: There is one other proviso, that is, U. P. obtains finance for these activities in reducing the prices of foodgrains by some other means from the Government of India.

Chairman: That is a proposition with which I am not concerned. The only proposition before us that the U. P. will send its surplus gur at a price in accordance with the directions given, provided the receiving areas control the distribution. Now, it is obviously to the interest of the receiving areas to do so, particularly Sind Rajputana and the Punjab and I would like to know from the receiving provinces whether they have any objection to accepting this proposal of Mr. Ibbotson. The proviso is a matter between the U. P. Government and the Finance Department of the Central Government. It does not affect the policy which has been laid down in my letter of the 20th September. I should like to know the reactions of the Punjab representatives.

Sir Chhotu Ram: I find myself in a great fix. Mr. Ibbotson's proposal is that they are levying this charge of Rs. 3.20 per mowd on exported gur in order to force down the prices of foodgrains. In accepting his proposal, I would be hitting not only the cultivators of the United Provinces but the cultivators of the Punjab itself. I feel that the prices at Hapur of wheat foodgrains are really true economic prices and if they are the true economic price on gur in order to force down the prices of foodgrains at

Punjab will indirectly suffer also. Again it is no consolation to me to deprive the cultivators of the U. P. of any portion of the legitimate fruits of the labour.

Another proposal is that if the U. P. Government receives some help from somewhere in some other way in order to force down prices they will be able to forego this surcharge of Rs. 3.

Chairman: That proposal may be discarded. The only proposition before us is whether the receiving provinces will undertake the distribution at controlled prices. The proviso is really a matter between the Central Government and the U. P. Government.

Sir Chhotu Ram: If the U. P. Government are in a position to get some sort of subsidy or some sort of concession from the Government of India in other directions, I think the Punjab should be in a position to press the same claim. The proposal for foregoing the present surcharge is contingent on something else which we do not know.

Chairman: It is only contingent on your distributing the goods at controlled prices, and that is a condition precedent of your receiving sugar supplies from us.

Hon'ble Sir Chhotu Ram: I think the price of gur at Rs. 8 is unjust.

Chairman: Leave alone the price of gur, because the next year's prices will be still a matter for decision. But whatever that price may be, would you or would you not agree to distribute the article that you purchase in the Punjab at a price in parity with the price today?

Hon'ble Sir Chhotu Ram: In principle, we cannot possibly have any objection to it. An importing province should in fairness give a guarantee that it will control the prices of the imported article, at a level which will mean the price in the exporting province plus other incidental charges. In principle, I cannot possibly have any objection to it. But my objection is that they have lowered the price of gur to an unreasonably low figure. That hits the cultivator in the U. P. which has no consumption as an ordinary human being. Then, again, there is a further proposal that it will be getting some privilege or concession from the Government of India in order to force down the prices of foodgrains. That directly hits the cultivator in the U. P. as well as in the Punjab. To the principle in itself and in its unqualified form I cannot possibly have any objection.

Hon'ble Mr. Suhrawardy: Sir, I suppose you want me to confine myself to this particular aspect of the matter at the present moment. The principle is certainly acceptable and there can be no question that the receiving Government should sell or should put that stock on the market at the price at which it receives it. I have not been able to understand why it is necessary for the U. P. Government to expect replies from other Governments on a proposition which affects its own domestic economy, namely, whether the U. P. Government will be the sole purchaser of the surplus goods and whether it will sell it to the other provinces. I am most anxious to import goods from the U. P. There has been great misunderstanding between us which has not yet been cleared up. I understand that the U. P. Government desire to sell goods to other provinces. On the other hand, so far as we have been able to gather, the U. P. Government are taking no steps to sell goods to other provinces. After receiving the telegram that the U. P. Government were prepared to sell goods to Bengal, I attempted to gather facts from our agents for the consumption of gur. But what I doubt is that the U. P. Government is selling to private traders for export with a surcharge of Rs. 3 but they are not prepared to sell it to our Government. As I said, there must be some misunderstanding somewhere because it is a position which I cannot understand. I would therefore request that the U. P. Government, if they are controlling any article, should sell it to other Governments rather than to private traders as a general rule.

Mr. Hancox: I think I can clear up the misunderstanding. As was stated by Mr. Ibbotson, as regards the last season's gur as long ago as last January, the Government attempted to adopt exactly the same scheme which

has now been proposed by the Government of India. It asked every other Government to buy gur from it in order to eliminate the middleman from the trade. The only answers received were from Assam and Sind. No answer was received from Bengal, to implement the scheme in time. The letter was sent in January and no answer was received until March, or some such date by which time we had to make our arrangements to get gur out. However, that is past history.

As regards gur for which we have been charging what has been said to be Rs 3 per maund to the private trader, it is not as much as that in every case by any means, but that is for only last year's gur which otherwise would have either had to go out uncontrolled at fantastic prices or else would have melted and rotted. That Rs 3, as has been stated by Mr Ibbotson, was taken not from the pockets of the consumer but from the pockets of the outside traders. There has been no attempt, as you yourself have said, to control the price of gur to the consumer in any importing province. The U P Government does not wish that system to continue. It admits that it is wrong. The only possible way is to deal direct with the Government. That it has proposed to do in a letter sent to all the Governments on 13th August and to which only two replies have been so far received. In fact Mr Chairman, it anticipated your own scheme. If any charge can be made it is between us and the Government of India but in any case it is only proposed that it should be at a maximum of one rupee per maund and I do not think it will affect the price to the consumer. I am quite sure that whatever control is exercised, it is not likely to be as rigid as that.

Mr Suhrawardy I think I have followed the position. The U P Government is prepared to sell to the Bengal Government 100,000 tons at this price. If so, at what surcharge?

Chairman Plus 4 annas for organisational expenses, and it shall only sell to the Provincial Government or the representatives of the Provincial Government and to nobody else. That is the position so far as the new gur is concerned. The old year will finish in ten days time. And whatever little old gur might have been left, it does not worry us very much. From the 1st November all the inter provincial trade will be controlled.

Mr Hancox We are willing to apply the same scheme to the old gur.

Chairman That is very satisfactory.

Mr H S Kamath (C P) We accept the proposition as laid down by Mr Hancox, but we have already sent a reply to the U P Government's letter of August last. But the real point is that we accept the proposition as you have suggested.

Mr Ibbotson We should like to make it clear that the charge of 4 annas is still subject to discussion. It cannot possibly go over but it is still subject to the discussion and I am not at present prepared to guarantee that it will not go over.

Chairman The proposition is quite ample. The receiving areas are all in favour of receiving gur from the surplus areas at a price in parity with the cane prices as paid by the sugar factories plus the organisational charge. The U P Government wants the charge to be raised from 4 annas to one rupee. That is really again a matter for the Gur Controller. But in this connection I would sound a word of warning. Whatever and however desirable the object of a surcharge may be I must say that such a precedent is likely to cause enormous difficulties. We have hitherto resisted every attempt in that direction. The moment you allow an export duty—and a surcharge is nothing but an export duty—you destroy what is called an economic market. The fundamental basis of any unified economic territory is that there can be no trade barriers either in the shape of import or of export duties. The only exceptions which have been allowed for several centuries within the country itself are only in the shape of municipal and district board taxes. Barring that, the goods within a single economic area must be free, because if you do not accept a proposition, then we shall come into conflict not only between and

the other but also between one village and another and between one district and another. Bihar, after all, is not a very rich province, but it has the monopoly of coal supplies practically for the rest of India. It has also iron supplies. Madras is not very well off either. How are we going to solve that problem? I find in that connection Mysore has been also thinking of a duty of eight annas per maund of sugar. It is not so much a question of 4 annas or 1 rupee or anything else. As I said yesterday, the small State of Jetpur with a population of 37,000 people has put an export duty of Rs. 10 a maund on sugar. It is not a State in that case. It is only an area for black-marketing operations and nothing short of it.

Now, let us examine the implications of a proposition like this. If I raise the price of gur in a surplus area, the net result is that in the receiving areas like the Punjab and Bengal the effecting price of cane must automatically rise, because the return to the gur producer in those two provinces will rise to that extent. I feel that the issue before us is of such enormous importance that this Conference must take a categorical decision that so far as sugar and gur are concerned, we shall see that the available resources of the country are equitably distributed without any trade barriers or surcharges whatsoever which are only a euphemism for an export duty. That is a fundamental point. It will also interest you that the moment you allow, in these days when prices are varying in various parts of the country, gur or sugar consignments to be handed over to private individuals, the result will be nothing but chaos. The other day we had to supply a small quantity of gur for defence requirements and the price quoted to us was Rs. 19 per maund. How far are we prepared to go? It is a very slippery path and unless we take this action, we shall not be able to deal with this problem.

There is just another matter on which I would like your reaction, gentlemen. That is whether you think that sugar is selling at a reasonable price or you think that the time has come when sugar also must share in the general upward trend. It is an extremely important problem for the sugar industry as well as for the cane growers not only for 1943-44 but also for 1944-45. As I said yesterday, there is no possibility of relating cane price to the price of rice or even to wheat. If we made an attempt to do so, we might as well abandon sugar control also. I presume that you do not desire to do so.

Mr. Rajwade: Would not a rise in the price of sugar cane automatically solve problems arising out of control of gur. You say that sugar cane should be diverted from the production of gur to the production of sugar. I am just putting forward this suggestion that if you raise the price of sugar cane from ten annas to fourteen annas a maund, would it not solve part of your problem?

Mr. N. C. Mehta: No. The problem would remain exactly at the same level with this difference that the profit of the gur producer would be doubled.

Mr. Rajwade: The price would be paid by factories at control prices. If it is increased, say from ten annas to fourteen annas—I am taking an arbitrary figure—would not your major problem be solved, namely the diversion of sugar-cane from gur to sugar producing factories?

Mr. N. C. Mehta: No. I think the problem is roughly this. Sugarcane is the raw material both for gur and sugar. If the cane goes to manufacture of gur, it is because the margin of profit in the production of gur is relatively higher. By merely increasing the price of raw material, you keep the relative position precisely the same with this exception that the absolute amount of profit increases to that extent. Suppose the price of cane is raised to one rupee, it may not help the sugar factory in the very least, because the price of gur also goes up and also the profit of gur producer. The object we have in view is that the relation between gur and sugar prices should be stabilised.

Dr. M. S. Mehta: Sir, I want to say a word from the point of view of Rajputana and before I say it, I should like to refer to what Mr. Ibbotson and Mr. Hancox said about the replies to their communications. I can say on behalf of my own State that their letter of August 13th, has not yet reached us. By their following the usual practice of addressing us, the old traditional practice

addressing us through the channel of the Political Department, we will have to wait for another six weeks before we get their communication.

Mr N C Mehta Why don't you explain direct in this matter?

Dr M S Mehta That is what I will have to ask you. Last year, I remember that I had a reply sent to a telegram from U P received by the Political Agent at Udaipur within less than twelve hours. A decision had to be taken whether we were willing to import to the tune of 140 000 maunds of gur in that season and the reply was given within twelve hours. So that the delay is certainly not at our end. I should very much like to see that last year's position is not repeated because that communication came to us in the middle of the season when we have passed through some very difficult times, and the reason for that difficulty I wish to place before you, Mr Chairman, because you will be fixing the price of gur. So far as the general proposition stated by you and endorsed upon by the U P Government is concerned it appears to us to be innocuous harmless. Only it is very fortunate that it has been proposed at the beginning of the season. I hope that will be consistently followed. Last year our difficulty was this. In the beginning either perhaps the gur manufacturing time in U P and Rajputana did not coincide, or for some other reason my people were pressing upon me the desirability of allowing gur to be exported. At that time we were in very anxious situation because we knew that we were both a gur producing area and a gur importing area, because we consumed more than we produced. But in the beginning when the people had to pay land revenue about the middle of January, just when they began to produce gur they would like to export gur to the neighbouring States. I should like to say that whatever policy you adopt as adopted in the beginning of the season it must be consistently followed. In fixing the price, you will remember our peculiar situation. The general position you stated referring to Bengal that it would be very undesirable to have two prices of the same commodity in the same market. That is exactly what we like to see avoided in our case. In fixing the price, you will please bear this factor in mind.

Then I should like to know whether you contemplate putting a ban on the movement of gur within the Rajputana States. Will that proposition also affect our general principle of control of gur movement because if this is done I am afraid we shall find ourselves in some difficulty in the months of December and January?

Next, I should like to know about the fixing of sugar cane prices. I happen to come from a State where there is a small sugar factory. We are trying to help them and on the lines and according to the principles you have laid down and which you accepted and which you asked us to accept. But through lack of enterprise on their part in that factory they have not developed the sugar cane area. We cannot, therefore carry out that suggestion of yours too literally. In some parts of the State on account of lack of proper road communication sugar cane is not received by the factory and we cannot prevent that sugar cane from being exported or utilised for gur manufacture.

Mr N C Mehta These are local problems which need not be referred to here.

Dr M S Mehta It becomes the subject matter of correspondence between you and me. These are the factors operating in Rajputana which I should like you to bear in mind in fixing the price. There is another point. You say that Government agent should receive the gur from U P. Does it mean that at the very end also there should be Government agents consigning the gur because we like the U P gur to come from Meerut. Does it mean that we shall have to write to U P Government every time there is gur to be imported or shall we authorise merchants in our States and let those merchants get into touch with the merchants whom they authorise in U P. That is the point which might be made clear.

Mr N C Mehta It is a transaction between two Governments in respect of sugar you give despatching instructions in a

you will give despatching instruction in respect of gur quotas for the surplus supplies from U. P.

Mr. L. P. Munroe: There is just one small point that has been raised. The intention is that we will buy gur from purchasing agents and send it to the province which normally imports according to quotas which I see has now been set by yourself. Those Provincers may send their own representatives or their agents for inspection before purchase, but it is fundamental that there shall be no dealing between traders of the exporting province and those of the importing province.

Khan Sahib A. A. Kheri (Jaipur): On behalf of Jaipur State, which I have the privilege to represent, I should like two points to be cleared. You referred to the export duty of Rs. 10 being levied in a small State like Jaipur.

Mr. N. C. Mehta: I referred to Jetpur in Cutch.

Khan Sahib A. A. Kheri: The sugar advisory committee suggested that the price of sugar might be raised, putting a surcharge, and the proceeds of the surcharge might be utilised for lowering the price of gur. Would that be permissible? Would there be any objection to ranging the price of sugar and utilising the proceeds towards lowering the price of gur.

Mr. N. C. Mehta: It will not be permissible.

K. B. Mian Abdul Aziz: There are just one or two points which I hope you will permit me to explain. It is very satisfactory when you said in your speech that the Ministers from the Punjab made a definite statement to the effect that there will be the fullest co-operation. I welcome that. I was discussing this question with one of the factory owners in Kapurthala State. What he said categorically was that if cane is sold to us at 12 annas per maund, we cannot make a single pie profit. I am not sure whether he was speaking correctly or not. But that is the position. This is very relevant to the question that you set before this conference—namely whether the price of sugar should be raised.

The next point is with regard to sugar manufacture. We were discussing this question only recently. The conclusions arrived at were that the yield in the Punjab is somewhere about 8.4 at the best, whereas the yield in U. P. was somewhere near 11. What with overhead charges, the Punjab sugar in spite of the assurance you gave agreeing to one rupee extra has no chance of selling at a profit. That is not all. The problem facing the factories in Kapurthala State is that if the price of sugar is not raised, they might as well not start crushing the cane and that would definitely go against your very keen and admirable desire of maximising the production of sugar.

The next point of very great importance with regard to the two sugar factories is that quite apart from the question of surcharge in the price of gur, there are local centres or surplus gur production within the Punjab. Are the Punjab Ministers prepared to prevent the exports without a surcharge from those areas.

Mr. N. C. Mehta: They have not said so. What is the good of referring to it?

K. B. Mian Abdul Aziz: Will they permit these imports into those areas? I myself have been a Commissioner in the Punjab. I know that Jullunder is a surplus area with regard to production of gur itself. Now, will they consider the desirability of not permitting imports from U. P. into that area? Then again there is a very important question which you referred to and that is also relevant to the price of sugar. If there is within a radius of 15 miles a sugar factory, then it is desirable that sugar cane should find its way to the factory rather than manufacture gur. While we will give every assistance in maximising the production of sugar I hope that within that radius of 50 miles the manufacturer of gur if not prohibited will at least be somehow or other discouraged or kept to a reasonable level. Because, in the adjoining State area we are willing to give that undertaking definitely and absolutely if a similar undertaking is forthcoming from the Punjab. There then remains this question that if the price of sugar-cane remains what it is, i.e., 10 annas or a little over, and if the price of sugar is not increased, even though that sugar manufacturer may be encouraged, the chances are that the factories in Kapurthala which have

a normal capacity, well known to you, of crushing in one factory at least 24 lakh maunds and another at least 40 lakh maunds will probably not be able to produce more than 1/4th of their normal capacity at the utmost.

Mr. Emerson (N. W. F. P.): On behalf of the Frontier Province I am authorised to say that we make the same offer and on the same terms as the U. P. has, with regard to our surplus production, with this one reservation that in fixing the ceiling price we should like that labour charges which are higher in the Frontier Province than in other areas should be taken into consideration. We should like the higher standard of living to be considered, and special circumstances of that sort. But with that simple reservation we make the same offer as the U. P. has done.

Secondly, we agree to export our surplus to the Punjab and we propose to discuss with them our method of achieving that object. We did in fact last March prohibit the export of gur and since then it has been only allowed to be exported under proper Government supervision. As regards the supply of cane to our single factory we are satisfied that we can maintain it. And in order to achieve this object and in order to achieve our maximum production we have set up an inquiry committee which will be presided over by one of our Honourable Ministers and will inquire into the whole production of the mill and its method of management and working. That is all that I have to say.

Hon'ble Mr. Suhrawardy: Before I speak on this subject I should like to say a few words regarding the remarks which you made yesterday in connection with the distribution in Bengal and in Calcutta. It was prefaced by the statement that at the present moment there are considerable supplies in Bengal and you have been good enough to send to me a letter yesterday in which you point out that up till the 22nd September we have already received 98,777 tons

Chairman: I will give you later figures.

Hon'ble Mr. Suhrawardy: Out of a total quantity of 182,000 tons including 16,600 tons of our local production which is equivalent according to your calculation to 85.6 per cent.

Chairman: As a matter of fact on the 30th September you got 88 per cent. of the quota, viz., 115,400 tons.

Hon'ble Mr. Suhrawardy: I think there must be some mistake in calculation. In the first place I do not think we have got it; it may have been despatched. Or the mills may have advised you of the despatch but Bengal has not got it and the figures also are a little bit incorrect.

Chairman: There is no possibility of any mistake in these figures because you have paid for the sugar and that sugar has left the premises of the sugar factory after paying excise duty to the Government of India.

Hon'ble Mr. Suhrawardy: There must be some misunderstanding. In the first place the calculation is incorrect because instead of 85.6 I calculated it as 75 per cent. even on the figures that you have given.

Chairman: The percentage you have calculated is on the total. The percentage is to be calculated on the quota given to you from the U. P. and Bihar. If you just read the statement we give you every week you will find this: Bengal—local production 16,600; allotment from the U. P. and Bihar, 115,400 dispatches during the week 22nd September to 30th September, 2,560.

Hon'ble Mr. Suhrawardy: I have understood what you are trying to say. You are calculating the percentage after excluding the Bengal quota, but I must calculate the percentage as a whole.

Chairman: The Bengal production is in your own hands.

Hon'ble Mr. Suhrawardy: I am calculating the Bengal production in the calculation of the figures and I find that even according to your we have got only 75 per cent., viz., three months' more supplies to go with only one month to give it in. However, we shall work it out, but the fact remains that your information regarding supplies in Calcutta is incorrect. We have about 25,000 bags in Calcutta against a total monthly expenditure of 50,000 bags, and I have therefore got to distribute it in the best manner possible to see that it goes . . . at

same time we are not cut short. Therefore I have not accepted your suggestion to distribute it through the Indian Sugar Mills' Association. We are distributing it through 377 controlled shops, through some large stores, through consumers' societies, etc., and we are giving special permits to confectioners, sweetmeat dealers, hotels, tea-houses and large consumers. And the distribution, though not absolutely perfect has certainly brought down the black market. The main persons who have to deal in the black market are the large consumers and we have made special provision for them. Your scheme of distribution through the Indian Sugar Mills Association may lead to a suppression of the black market. I use the word "may" because I have no great confidence in any trade organisation. I can give you as a parallel example the distribution of kerosene through the trade. The trade insists that it should distribute and it has led to a tremendous black market. But there is one thing the distribution through the Association will not lead to and that is equitable distribution.

Chairman: We suggested the Indian Merchants' Chamber and the amount to be distributed both in quantity as well as time was entirely at your discretion.

Hon'ble Mr. Suhrawardy: I asked both the Association and the Chamber to take it up but they were not able to produce a scheme.

Chairman: They sent a telegram only yesterday that they are prepared to take it up.

Hon'ble Mr. Suhrawardy: They may have changed their mind but it is of no use because within a month we are going to distribute sugar through our distributing centres and through our shops to which consumers will be linked and distribution will be equitable. And through the Indian Merchants' Chamber or any other organisation we cannot hope to get equitable distribution per head; and it is for that reason that I propose to continue the system of distribution which we have outlined for ourselves.

Now Bengal is in a rather difficult position and I want to state it here; it may upset a number of calculations. I am sure you have received a memorandum from the Government of Bengal because our problem is not the problem of 1943-44; it is the problem of 1944-45, and if we fix 10 annas per maund the result will be that the cultivator will not plant cane this season which is done in October. I was in the beginning of your view that we should have this; we should put a cordon round, that we should stop the manufacture of gur within that cordon, we should have another cordon round it within which gur should not be manufactured and so on, and we still stick to that principle of drawing a cordon and drawing another circle round that cordon. But the difficulty is the price, and our factories are absolutely certain that unless they are able to pay one rupee per maund to the agriculturist the result will be that no sugar-cane will be planted now with the result that in 1944-45 there will be no working of our factories. This is a thing which they have impressed upon us very strongly and we have passed it on to you. What effect it will have on the price of sugar I do not know. The result will obviously be that the price of sugar will rise in Bengal as compared with that of the other provinces. But there seems to be no other alternative for us if we do not wish to destroy or kill our factories. Another method will simply destroy production in 1944-45.

Chairman: Why not a subsidy from the Bengal Government?

Hon'ble Mr. Suhrawardy: I do not know how it is going to work out but this much is certain that the agriculturist must receive his one rupee; otherwise there will be no planting at all.

Then so far as gur is concerned I can tell you, as you are well aware, that it is the main produce of cane in Bengal and not a minor produce. We have only eight mills and I do not think more than 15 per cent. of our cane goes to the mills; 85 per cent. is turned into gur and therefore any order that you may pass regarding the price of gur should take this into consideration.

Chairman: It will only apply to the gur coming into your province and over that area which is round the factory I have nothing to do with the rest of your

Hon'ble Mr. Sulrawardy: And so far as getting gur from outside is concerned, we shall be most happy to receive as much gur as possible from the U.P. to sell to Government not only gur but all the other commodities which it is controlling, like mustard oil and mustard seeda, instead of selling it with a surcharge.

Hon'ble Sir Chhotu Ram: I shall say one word with regard to the price which it has been proposed to pay to the sugar-cane grower.

Chairman: That is really the function of the provincial Governments and not mine. I am only concerned with the price of sugar.

Hon'ble Sir Chhotu Ram: Then will the provincial Government be within its rights to fix 16 or 18 annas a maund for sugar cane?

Chairman: Yes, but you will have to sell the sugar at my price.

Hon'ble Sir Chhotu Ram: There is no trouble about that because I remember at the last conference you said that even at the level at which sugar price had been fixed the sugar factories had made record profits.

Chairman: I will repeat that, that this particular year has been a year of record profits for the sugar industry, and all that you have to do this time is to be careful about conserving your sugar supplies. You will be interested to know that the price of a bag of sugar in the neighbouring territories of Iran and Southern Persia is of the order of Rs. 600 to Rs. 1,000 as compared to our price of Rs. 40. There is an enormous profit in smuggling and that is all the greater reason why you must maximise the output of sugar and see that the sugar supplies which are sent to the various provinces are duly distributed. And I only hope that you will not permit sugar distribution to be a channel of collecting war subscriptions or collections of any kind.

Hon'ble Sir Chhotu Ram: We have forbidden that.

Chairman: I wish the forbidding to be actualised and not to be merely on paper. If you want subscriptions it will be easier and cheaper to have them directly than by putting a tax on the sugar distributors. And you will have to see that sugar continues to flow to the provinces because the next few weeks are weeks of rumours about sugar prices; and, as happened last year, sugar factories are likely to delay the despatches. In this connection I should like to tell you also that as far as sugar industry is concerned, there is no difficulty of transport. The transport actually goes to the sugar factories for the quantities earmarked for every programme of two months, and the sugar has hitherto been—for the last 15 months—regularly despatched to destinations. The provinces must give their clear instructions. If there are difficulties about qualities, you will please send me a sample and I will see to the rest. I may point out, however, that 95 per cent. of sugar produced in this country is of the most excellent quality. I have seen sugar of poor quality and that only means that the retailer is making undue profit by mixing all kinds of stuff with it. If you find that the factory is not sending you the proper type of sugar, please let me have the sample and we shall be able to do the rest.

I hope, gentlemen, I shall have your fullest support and executive co-operation in getting all the necessary supplies of cane for the sugar factories and that we shall have a record crushing in the season 1943-44.

(At 12 noon the Honourable Member for Food entered the Conference hall and took the Chair.)

Chairman: Gentlemen, I will ask the Secretary, Mr. Hutchings, first of all to give you the decisions of the Government of India on the various points raised in this conference during the last three days.

Mr. R. H. Hutchings: Mr. Chairman and gentlemen. After your lengthy deliberations, I am sure that you will be anxious to hear the decisions of the Government of India without any further preamble on my part. As you are aware, the Committee made no less than 93 recommendations and I propose, with your permission, to traverse the whole of those 93 recommendations this morning. All that I intend to do in the time at our disposal

deal with the four major points which have really occupied our attention at this conference. We shall of course communicate to you by letter our resolutions and decisions, so far as is possible, on all the recommendations of the Committee which involve action by the Central Government, whether in the Department or in the other Departments of that Government.

You will remember that in his opening speech the Honourable the Member referred to three cardinal points of policy on which he had taken decisions. I need not repeat those here, but will start off by referring to the Basic Plan. The recommendations of the Committee can be conveniently summarized as follows:—

"They proposed that a uniform procedure for calculating the target figures should be applied throughout India," and they proposed a new formula for the purpose. Subject to the use of a common formula, the Committee recommended that in the case of any difference of opinion between the Centre and the province or State over the target figures, the matter should be made subject to be dealt with by an arbitration committee. Calculations of the target figures were to be conducted half yearly, and the provinces and the states were to leave entirely to the Centre all questions concerning the allocation of the surpluses, the use of the Central Reserve, and also the which of any special rescue operations which might be necessary.

In our discussions of these recommendations, the main difficulty which work seemed to us to emerge at the conference was the feeling of certain adjustments, if not variations that they have not the requisite statistical basis on which to work with the proposed formula. They were afraid in consequence that the formula adopted, would lead to unreal results. The Government of India agree most with the Committee that a common formula is desirable, and that the formula proposed by the Committee is, having regard to all the circumstances, the best formula available that has so far been devised. We accept, however, the recommendation of the Committee that we should continually seek to improve upon the formula if it is possible to do so. We realize, that to proceed merely on some basis of a formula without taking into account special or local conditions is likely to produce serious anomalies. We recognize, for instance, that in some cases all the figures necessary for the formula may not be available. We would, therefore, propose to proceed as follows:—

We intend to proceed by two stages: Firstly, to devise a plan of disinvestment as between the deficit areas, in the light of the declared surpluses of the provinces and states, for immediate operation from the beginning of the next crop year. The actual movements of grain will be adjusted to the harvest of the crop year. This preliminary plan will, in effect, be in the nature of a budget estimate calculated on the basis of the best information then available. Thereafter, the preliminary plan will be circulated to the provinces and States, and move can begin in accordance with the allocations that are provisionally made, and under

We would then propose to pass on to a second stage. In this stage we shall use the formula proposed by the Committee for calculating deficit, and the surpluses of the provinces and States to serve as a basis of discussion between the Centre and the Provinces and States concerned. In applying the formula, and in our discussions with the Provinces, regard will be had to all the relevant factors outside the formula itself, such as, for instance, actual local crop conditions, harvesting periods, abnormal increases in population or the statistics which such exist, of past exports and imports. The first edition of the plan will anticipate be in operation from the 1st November. The information on which we to check the first stage in the light of the formula and other relevant factors will, we think, begin to be available about January, and our consultation with the provinces and States will take place during the succeeding two months. and the revised or final edition of the plan will be issued in April to be operative from the beginning of May.

The Conference has by a majority rejected the proposal made by the Committee for an expert Arbitration Committee and the Conference has recommended that the decision of the Centre should be accepted as final. The Government of India accept the views of the majority of the Conference in this matter. We contemplate that the consultations between the Centre and the

Provinces or States which I have referred to already, will normally be conducted direct between the Centre and the administration concerned but we would be willing to invoke in any case presenting peculiar difficulties such expert opinion as may mutually be agreed upon between the Governments concerned.

I will pass on now to the second of the four leading subjects namely, Procurement.

In dealing with this question the first point which the Centre had to consider was the recommendation that although from the standpoint of principle the only completely satisfactory solution would be a Central Government Foodgrains monopoly yet problems of staffing organization and administration were so great and the needs of the situation so urgent that the necessary time was lacking to introduce such a system. Our view now after hearing the opinions expressed in the Conference is as follows —

We agree with the Committee that a Central Government Foodgrains Monopoly combined with some form of Central Government Foodgrains Purchasing agency or a Purchasing Corporation is in principle the only completely satisfactory solution in the sense that it is the only solution which would enable the Centre to feel that we were accepting undivided responsibility for acquiring from the cultivator the maximum amount of foodgrains to be obtained from every part of India. We agree however that it is not a practical proposition to establish such a monopoly or such a purchasing agency at the present time but we intend actively to pursue our examination of its implications in greater detail so as to be prepared should conditions in the future make it either feasible or desirable to establish such a system.

In the meantime we agree that procurement both on behalf of the Provinces themselves whether for their own consumption or for export to deficit areas or on behalf of the Central Government for Central Government needs including the Defence Services must continue to be carried out by agencies set up by the Provinces and States.

In view however of what we consider to be our responsibility for the success of the food administration in India as a whole we cannot regard procurement operations as matters which solely concern the Provinces or States and not the Central Government. Although the functions of procurement is delegated to the provinces we feel that it is incumbent upon us to exercise that degree of direction superintendence and control necessary to secure the effective discharge of that function. That does not mean gentlemen that we intend to interfere at every stage in the day to day administration of the subject of procurement by the Provinces or States. Nor does it mean that we feel it incumbent upon us to dictate a uniform pattern of procurement machinery or a uniform procedure in every part of India. We recognise that conditions vary in the different provinces and also that the experience of Provinces and States should by now have taught them what particular form of procurement machinery is most likely to be effective within their jurisdictions.

Generally speaking I may say that we are inclined to favour a single procurement agency within the province which is essentially a government procuring agency but which associates with itself and utilises to the fullest extent possible existing trade organizations where such organizations exist and where they are willing to play the game. We are inclined to the view that the utilisation of trade agencies may be of assistance particularly in placing information at the disposal of Government regarding the location and movement of stocks which might otherwise not be so readily available. On the other hand delegates to this Conference have heard opinions expressed by delegates of great experience who have actually been operating schemes in which as a result of bitter experience they have had to ignore the trade or sections of the trade. We do not intend to ignore their experience and advice nor do we wish to insist on the utilisation of trade agencies if the Provincial Governments decide against it.

Of one thing however we are certain and it is this — if we are to be successful, the Provincial and State administration

deal with the four major points which have really occupied our attention during this conference. We shall of course communicate to you by letter our reactions and decisions, so far as is possible, on all the recommendations of the Committee which involve action by the Central Government, whether in the Finance Department or in the other Departments of that Government.

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In our discussions of these recommendations, the main difficulty which seemed to us to emerge at the conference was the feeling of certain administrations that they have not the requisite statistical basis on which to work the proposed formula. They were afraid in consequence that the formula, if adopted, would lead to unreal results. The Government of India agree with the Committee that a common formula is desirable, and that the formula proposed by the Committee is, having regard to all the circumstances, the most suitable that has so far been devised. We accept, however, the recommendation of the Committee that we should continually seek to improve upon that formula if it is possible to do so. We realize, that to proceed merely on the basis of a formula without taking into account special or local conditions is likely to produce serious anomalies. We recognize, for instance, that in some cases all the figures necessary for the formula may not be available. We would, therefore, propose to proceed as follows:—

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We agree with the Committee that a Central Government Foodgrains Monopoly combined with some form of Central Government Foodgrains Purchasing Agency, or a Purchasing Corporation, is in principle the only completely satisfactory solution in the sense that it is the only solution which would enable the Centre to feel that we were accepting undivided responsibility for acquiring from the cultivator the maximum amount of foodgrains to be obtained from every part of India. We agree, however, that it is not a practical proposition to establish such a monopoly or such a purchasing agency at the present time, but we intend actively to pursue our examination of its implications in greater detail, so as to be prepared should conditions in the future make it either feasible or desirable to establish such a system.

In the meantime, we agree that procurement both on behalf of the Provinces themselves, whether for their own consumption or for export to deficit areas, or on behalf of the Central Government for Central Government needs, including the Defence Services, must continue to be carried out by agencies set up by the Provinces and States.

In view, however, of what we consider to be our responsibility for the success of the food administration in India as a whole, we cannot regard procurement operations as matters which solely concern the Provinces or States and not the Central Government. Although the functions of procurement is delegated to the provinces, we feel that it is incumbent upon us to exercise that degree of direction, superintendence and control necessary to secure the effective discharge of that function. That does not mean, gentlemen, that we intend to interfere at every stage in the day to day administration of the subject of procurement by the Provinces or States. Nor does it mean that we feel it incumbent upon us to dictate a uniform pattern of procurement machinery or a uniform procedure in every part of India. We recognise that conditions vary in the different provinces and also that the experience of Provinces and States should by now have taught them what particular form of procurement machinery is most likely to be effective within their jurisdictions.

Generally speaking, I may say, that we are inclined to favour a single procurement agency within the province, which is essentially a government procuring agency, but which associates with itself, and utilises to the fullest extent possible, existing trade organizations where such organizations exist and where they are willing to play the game. We are inclined to the view that the utilisation of trade agencies may be of assistance particularly in placing information at the disposal of Government regarding the location and movement of stocks which might otherwise not be so readily available. On the other hand delegates to this Conference have heard opinions expressed by delegates of great experience, who have actually been operating schemes in which as a result of bitter experience they have had to ignore the trade or sections of the trade. We do not intend to ignore their experience and advice, nor do we wish to insist on the utilisation of trade agencies if the Provincial Governments decide against it.

Of one thing, however, we are certain, and it is this. If procurement is to be successful, the Provincial and State administrations — procurement is

upon it the whole resources of their administrations, and it is upon the determination of the Government concerned to use their resources to the full that ultimate success depends. We hope, moreover, that Provinces and States will not be satisfied merely with the performance of their minimum obligations. They must of course provide for their own needs, for their own rationing schemes and for export quotas, if any, under the basic plan. But we do ask them to do as many have done in the past, namely, to regard these minimum requirements as minimum requirements and to make available to us for distribution to deficit areas, or for the formation of reserves, every additional ton of foodgrains that can with safety be spared. We have no desire whatever to interfere with procurement machinery that is adequate for the purpose, and functioning successfully but we do claim to be kept informed as to how procurement is progressing and to have the right to make suggestions and, if necessary, as we hope it will never be, to give directions, if the machinery is found to be inadequate or ineffective and not obtaining the results which are essential to the success of the common plan. We shall, of course, be ready to place at the disposal of different administrations all the information in our possession regarding successful methods and successful organisations elsewhere. We shall also be prepared to enter into consultation with them with a view of solving their difficulties whether those be of a financial nature or any other kind.

There is one more point I would like to make on procurement and that is as regards requisitioning. Our position is that we take note of the recommendation made by the Committee in their recommendation No. 40. We agree that requisitioning should be resorted to with caution, that it should take account of crop seasons, and that it should be a weapon normally held in reserve. These, however, are commonsense precautions which we feel the different administrations can be trusted to observe themselves. What I wish to make clear is this: that we have no desire to restrain Provinces and States from resorting to requisitioning, after due consideration, if they consider it essential and in the public interest to do so.

There is a final point on procurement. We wish to stress the importance, irrespective of anything in the nature of Provincial or State monopolies, to eliminate so far as possible competitive buying.

I will now pass on to prices. The Government of India accept the majority opinion of the Committee, which has been endorsed by this Conference, that Statutory Price Control should be instituted for all major foodgrains in all provinces, and the corollary that similar control in respect of an increasing number of non-agricultural commodities, particularly those necessary to the cultivator, should be undertaken at the same time. We agree as to the importance of ensuring that the accompanying or precedent conditions for statutory price control, laid down by the committee in their recommendation No. 70, should exist when statutory price control is introduced. We are of the opinion, however, that in the present emergent conditions which exist in India, all-India statutory prices for all foodgrains are an impossibility. We consider that it will become possible to introduce such price control by building up control first of all on a provincial basis, then on a regional basis: and then, as the emergent situation disappears and as efficient procurement and distribution arrangements, supported we hope by substantial imports from abroad, enable the Government to regain control of stocks, it will become possible to contemplate all-India price control. We accept recommendation 74 that pending the enforcement of statutory control of prices throughout India, such provinces as desire to endorse statutory control or ceiling prices, should be permitted to do so, subject however to the approval of the statutory or ceiling price by the Central Government. We are aware of course of special forms of price control at present in operation which are designed by a descending scale of prices to reduce the prices of foodgrains. Such forms of price control may be, indeed they are, a necessity in the present emergency. But our ultimate conception of a statutory price control is a price fixed for a crop which will remain fixed for that crop season. It should be fixed first and foremost on the basis

of a fair return to the cultivator, and being fixed throughout the season offers no particular inducement to the cultivator to hold on to his stocks. It may, of course be necessary to add to the fixed basic price for the cultivator what I may term accepted trade carrying charges which will admit of variations in the overall prices as the crop season advances. We agree that statutory prices for foodgrains must be fixed with regard to variations in other commodity prices. We consider also that when statutory prices are introduced they must ordinarily be fixed with due regard to the market price level of that crop in the area concerned. We consider and we believe we have the support of the conference in this that it must be the function of the centre to co-ordinate statutory prices throughout India which function will lead to the eventual building up of all India prices control and the elimination, as far as possible, of wide local variations which now exist. For that purpose as we see it prices cannot be fixed without the knowledge and consent of the central government, and the centre must have power to suggest changes both upwards and downwards. We accept recommendation No. 72 which deals with the setting up of a small standing prices committee at the centre, and that disputes regarding the price changes which may arise between provinces and States and the centre should be referred to that standing committee. We confirm the undertaking given by the Honorable Member yesterday that this standing committee should include a representative of the Punjab Government appointed in consultation with that government. The Government of India consider that the progressive co-ordination of statutory prices will tend to remove any justification for the imposition of surcharges on foodgrains exported from one province to another. In the meantime and until that occurs, we reaffirm the principles laid down in the Government of India's letter of the 19th August 1943 after the Third Food Conference.

I will now pass on to the subject of rationing. The Government of India accept the necessity for rationing to the extent recommended by the Committee in recommendations 46 to 49. We regard these recommendations as a fundamental part of a co-ordinated food plan. We recognise that the implementing of these recommendations involves the acceptance of a considerable administrative burden and of considerable expense but we do not accept the view that to take up these burdens is beyond the capacity of the different administrations in India. Rationing has already been introduced with success in different parts of India. It is functioning satisfactorily and it has been welcomed in those areas both by the administrations and by the populations themselves. We realise that the planning and organisation of rationing schemes even to the limited extent proposed in the first instance by the committee must take time. But we would urge all administrations who are not already engaged on the task to take it up at once. We would ask every province and State to prepare plans for the card rationing of their towns of one lakh and over, and to introduce as quickly as possible the essential preliminary forms of food control of which I will give you six examples.

First of all zoning areas in a city for the purpose of decentralised controlled administration.

Secondly, the compilation of information regarding streets and houses.

Thirdly—and extremely important—enforcing the Food Grains Control order.

Fourthly, preparing a scheme for card rationing.

Fifthly, preparing for the establishment of government grain shops where those are necessary.

Lastly, allocating officers and senior staff to the duties of food control administration and also inaugurating training schemes for such staff.

I need hardly say that in the preparation of these schemes we shall be only too willing to place any technical advice which you may desire at your disposal as well as to give you any information regarding successful schemes in operation elsewhere. In some cases we know that provinces are already operating, or have made detailed plans for limited rationing schemes or rather for urban provisioning schemes which are less extensive than the plan recommended by

the committee. We are prepared to allow such administrations to continue the operation and development of those schemes provided, however, that we are satisfied, and they are satisfied, that these schemes are associated with effective application of the foodgrains control order, with measures to check private hoarding, and with measures to secure the effective limitation of the overall internal demand. Nevertheless we consider that such limited schemes should not be regarded as final: they should be regarded as a basis for the eventual introduction of full urban rationing.

Chairman:—Gentlemen, it now remains for me to wind up this conference and to express the thanks of the Government of India, including my own, for the great inconvenience and trouble which you have all taken in coming to Delhi to attend the deliberations of this Conference. The contribution you have made to the discussion of a very difficult problem has been to my mind of very great value to us and I am most grateful to you for the very helpful way in which you have tackled most of the problems which came up for discussion.

As you are aware, the Long Term Planning Committee was set up to examine the past policy and the present position in India in relation to the supply, distribution and price of food grains in the light of available conditions including those imposed and liable to be imposed by the war, and to make recommendations both of policy and of administration for securing for the duration of the war the maximum supply, equitable distribution, and proper control of the prices in relation to food grains. The recommendations of the committee which have been the subject of discussion during the last three days bid fair to go a long way to solve these questions and I am very glad to find that these recommendations have received your approval. Particularly, you have agreed to the adoption of an integrated and all-India food policy for the country. This to my mind is a great advance. So far the problem of food has been looked upon by several provinces as their own affair. I venture to think that there can be no satisfactory solution of the food problem unless India is treated as one economic unit. We have got to look at the whole thing from that angle; and I am very flattered indeed that you have authorised me now to treat India as a whole. The Committee has recommended a number of important remedial measures. These are—increasing available supplies, improving the procurement machinery, extension of rationing, and the general extension of the principle of statutory price control. It has also recommended the general overhaul of the machinery of administration and a readjustment of the relations between the centre and the provinces. The Government of India, as you have just heard, have accepted all these and in addition to these, as I stated in my opening address, I have accepted in principle the association of the public with our work. (Cheers.) I think that in the administration of the food problem public association is of the greatest importance. We must create the necessary confidence among the public. Without this, we do not think the psychological conditions which are necessary will be created for making people believe that the food problem cannot resolve itself by panic or ill-informed criticisms.

The Secretary has given you in detail the decisions which the Government of India have reached. I hope you will agree that these decisions meet the points of view of all concerned. We have endeavoured to reconcile all the views expressed here and we feel that we have gone the longest way possible in that direction. There is no doubt some difference exists between us and the Punjab but I do not think that the Punjab would be averse to adopting those recommendations which finds acceptance with the rest of the conference. The main point of difference between us and the Punjab is on the question of statutory price control. We feel that it is of the utmost importance that we should have a statutory control over prices. Arguments in favour were given yesterday by several speakers, particularly by the Supply Member of the Government of India and by Sir G. P. Ramaswami Iyer. I am not going to repeat them but let me refer to only one strong argument which appeals to me most. It is admitted that we have scarcity in the country but I do not believe for a moment that conditions in Bengal would have been half as bad as they are

today if prices had not soared up. If rice could be had cheaper in Bengal I am sure so many people would not have died of starvation (Hear hear). So the main reason for the so called famine conditions in the various areas of the country is that the prices are beyond the reach of the poor man and unless we control them how are we going to feed the poor man? I think even Sir Chhotu Ram will not rebut this argument because I know he has a generous heart. In the interest of the poor I am sure he would like to sell his grain at a price which the poor man can pay. If he insists on selling his wheat at let us say Rs 20 a maund, it is no use to the poor man in Bengal or else where. He will say Take it back I cannot afford to buy it. So, it is of the utmost importance apart from all other reasons that prices of foodgrains must be regulated and he brought down. When I say this I do not mean that the interests of the cultivators or the farmers should be ignored. We must fix a reasonable and fair price a price which will give the cultivator an adequate return having regard to what he is obliged to pay for his other necessities of life. You have heard the efforts which the Government of India are making to place consumer goods cheaply in the market. It may be that those efforts have not yet fully fructified but I hope very soon the farmer and the cultivator will be able to secure the necessities of life much cheaper. That being so is there any excuse for saying that the price of foodgrains alone should be allowed to soar up and go to any levels they choose. I think on further reflection Punjab would not consider us to be very unreasonable in asking for the institution of price control. In any case the conditions precedent to the enforcement of statutory price control have been clearly defined in the report and as some one remarked yesterday if these conditions are realised price control may not be necessary. I think that if Sir Chhotu Ram can bring about the conditions in the Punjab he will have no objection whatever to the institution of a formal statutory price control.

I think you will agree with me that there is no other problem more important and more vital than that of food facing the Government and the peoples of India and in the solution of that problem we perforce must give up some of our prejudices some of our pre conceived notions. I am sure judging from the very helpful manner in which you have discussed the various problems here you will all rise above those notions and come to the rescue of those areas where we have today grim hunger stalking.

I hope you will acknowledge that the Government of India have lost no time in reaching decisions on the recommendations of the Long Term Planning Committee. One of the charges against the Government of India has been that of procrastination. In this particular case I hope you will say that we are not guilty. We have done our best. We propose to proceed will all haste to implement all those decisions and I can assure you that not a day will be lost.

I may perhaps interest the Conference to know what the Centre has already done and is doing to assist Bengal and other areas where there is acute distress. It was not the function of this Conference to go into this matter but I have heard the criticism that the Conference has not taken into account the current problem in Bengal and other deficit areas. As some of you at least are aware we have been doing our utmost to relieve distress in those areas with the help of the Governments concerned which I publicly acknowledge. The Food Department may perhaps be allowed to say to its credit that distress is not more widespread than it actually is in the country. Although we cannot claim perfection yet we have been able to supply vast quantities of foodstuffs to different deficit areas and if today the distress is confined to Bengal Travancore and Cochin and certain other areas surely some credit goes to the Food Department. I wish we had been able to avoid the distress even in Bengal Travancore and Cochin but there as you know we had to contend with circumstances beyond our control. In those areas as you know there have been natural calamities failure of crops and so many other factors which have accentuated the distress. The Central Government are today keeping in daily,

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of the utmost importance that we should be able to procure the amount in a satisfactory measure. If we do not do that, then things next year be worse than what they are this year. We have this matter under consideration in consultation with the Bengal Government. We are also alive to the need of immediately rushing supplies to rural areas. In this matter, I acknowledge the assistance which I am receiving from my Honourable colleague War Transport Member. We hope we shall be able to give Calcutta a number of wagons for the transport of foodstuffs to rural areas.

I will not say much more beyond making another appeal to my friends the Punjab: I hope they would rise to the occasion and make their stocks available to the rest of India. The immediate problem of Bengal has piled over without our getting any supplies from the Punjab, but I to you, gentlemen, is it right that the Punjab should have all that stuff hoarded when the rest of India so badly needs it. There are really to mind two real parties to this drama, this food debacle, if I may so call and they are the Punjab and Bengal. If these two parties could be brought together, the rest of the problem would be easy.

Sir Chhotu Ram: What about the third party, the Central Government?

Chairman: We tried to solve the problem in part by seating in this conference Sir Chhotu Ram and Mr. Suhrawardy close to each other. I think that we have succeeded in creating an atmosphere between the two which might lead to better relations. If we can only marry the Punjab to Bengal then things would be very different, much happier I doubt not.

Gentlemen, I will not take up any more time beyond saying once again I am deeply grateful the Government of India are for all the assistance and operation you have extended to them. I hope you will go back to your Provinces and States with the determination to do your utmost to save the starving people of India. In this connection, I must also acknowledge the loyal co-operation extended to us by the Indian States who have been so well represented in this conference. I am sure the Indian States are quite alive to the necessity of their playing an honourable part in this problem. We have received a great deal of assistance from them. But if you will allow me to say so we feel we ought to receive more. I have an idea that there are Indian States where there are still surpluses available and I would ask my friends from the Indian States, when they get back to their homes to make a drive and find out if there is any additional quantity of foodstuffs lying buried in their States. We want it all and I hope they would let us have it.

As the Secretary to the Food Department has already told you, the decisions about other recommendations contained in the report will be communicated to you in due course. We have dealt with only the major points in this conference, and so other decisions will follow you. No time would be lost in this regard. Gentlemen, I thank you all once again.

Mr. R. W. Ibbotson: I propose a vote of thanks to the Chairman. We are most grateful to you, Sir, for the cordial way in which this conference has been carried on. We have had all our different points of view listened to very carefully and considered. You have conducted the deliberations with great tact which has taken away any bitterness out of any disagreement amongst the delegates to this conference. I am sure all the delegates will agree with me that we are most thankful to the Chairman and to the Secretary of the Department.

The Hon'ble Mr. H. S. Suhrawardy: The special thanks of Bengal are due to the Chairman. After all, the difficulties of Bengal have been appreciated by the Central Government.

The Hon'ble Sardar Mohd. Aurangzeb Khan: May I offer my thanks also to the Chairman on behalf of the tiny little province of N.-W. F. P. I may assure you, Sir, that whatever observations or criticisms were offered were not done in any carping or cavilling spirit. As far as we are concerned, both myself and my colleague go back wiser and much happier and we are grateful to the entire conference for the indulgence and courtesy shown to us and to the Central Government. We are doubly grateful.

Mr S V Ramamurti On behalf of Madras, I am particularly thankful for having been let alone.
The Conference then terminated.

NOTE BY THE TRAVANCORE DEWAN ON THE STEPS ALREADY TAKEN BY HIM IN OBEEDIENCE TO THE
 ORDER OF THE GOVERNMENT OF INDIA IN REGARD TO THE RECOMMENDATIONS IN THE REPORT OF THE
 COMMITTEE.

The Report has, in its Chapter on the Statistical position, examined the All India figures of available supplies and estimated deficits of food supplies. In so far as Hyderabad and Cochin are concerned the Committee has accepted the figures of estimated deficits as furnished by their representative. These figures have also been accepted by the Joint Department. The monthly deficit of about 31,000 tons of rice mentioned by the Joint Department, the Committee is the irreducible quantity to be imported for normal consumption.

2 Price Control—It is the view and experience of this Government that price control is the essential prerequisite for the success of any scheme of procurement or distribution. In fact, the first step taken by this Government soon after the declaration of the War was to fix the maximum prices not only of food stuffs but of all other necessities such as textiles, medicinal preparations, kerosene, etc. This Government have, right through, been of the opinion that price control should be both centralized and non sectional, i.e. (not dispersed in character). If an agriculturist finds that the price of his produce is restricted while the prices of the goods he consumes are uncontrolled Government policy becomes difficult of enforcement. Widely varying localities well nigh impossible. The maximum price in respect of food stuffs had to be progressively raised in view of the increasing cost of cultivation and too wide a difference between the controlled price in the State and the uncontrolled price in the adjoining area of the Madras Presidency should encourage illicit export from the State. In the case of imported rice the prices have been fixed on a pool or panel basis according to the value and fluctuating market prices ruling in the purchasing centers in British India. The absence of All India Price Control, and the fluctuating prices in the uncontrolled market of the supplying area have rendered it difficult for the purchasing Administration to maintain any definite maximum price unchanged for any length of time. The principal argument advanced by the Supplying Administrations against the statutory fixation of them of a maximum price is that the Revenue Administrations have not fixed the selling price and that in the circumstances there is no reason why the producer should be denied the benefit of the increasing price and allow it to be appropriated by the producer in the selling area. This argument it may be noticed is applicable with respect to Bangalore and Cochin where the prices have been controlled from the very beginning. On the other hand in these two States the burden of increasing rates falls entirely on the consumer and its benefit goes exclusively to the supplying Administration.

Procurement.—The successive experiments with different methods of procurement with varying degrees of control and supervision have led the Government to the conclusion that the only satisfactory mode of procurement is by—

[illegible]

with more than 500 employees of the Revenue Department were engaged in the purchase of the paddy, a full time Grain Purchase Officer was appointed and he was invested with the powers of a District Magistrate. He was specially assisted by three Additional Assistant Peishkars who were constantly touring the area and supervising the work. Standard measures specially manufactured in the State workshops were alone to be used in purchases.

In view, however, of certain practical difficulties in the matter of purchase on acreage basis, Government have, with effect from the present harvest, provided for purchases be made on the basis of a minimum quota represented by the Settlement Pattom. The Settlement Pattom represents the full assessment on the land on the basis of which Government Land revenue is fixed. The general principle followed in the matter of purchase has been explained by Government in the Press Note dated the 1st September 1945. It says:—

"The entire paddy produced in the State is at the absolute disposal of Government for general distribution among the people and the entire quota is liable to be purchased by Government compulsorily except such quantity as the land-holder or the cultivator will be permitted to retain for purposes of seed, cultivation expenses and *bona fide* domestic consumption. The questions therefore, as to the appropriateness of fixing the Settlement Pattom as the basis or as to the differences in calculation of such Pattom in terms of Standard Para, with reference to Nanjinad or Shencotta are now immaterial and irrelevant beside the point since the quota which will be liable for purchase is not determined merely on the basis of the Settlement Pattom but on the total yield from the lands."

The staff engaged in the purchase has been strengthened by the addition of about 20 more Village Officers and one Additional Assistant Peishkar. The restrictions on the movement of paddy except by the permission of the local Officer have been made more stringent. Transport of foodgrains by Private Motor vehicles and at night (10 P.M. to 6 A.M.) is also prohibited.

In the view of this Government purchase through the normal trade channels and by the employment of trade agencies will never be successful unless there is an efficient system of inspection and checking of accounts of stocks purchased by them and the disposal. Maximum result can be achieved only by direct purchase by Government through their Officers; and in their work, restriction on transport will considerably facilitate purchase from the producing centre. But it will be very difficult to secure local co-operation in any such programme of local purchase unless proper and adequate distribution of the purchased stock to the extent necessary in the purchasing area is also arranged for by Government. The subject of procurement is therefore, linked with the question of rationing.

Distribution and Consumption.—In the early stages, food shortage in the State was felt more keenly in the Municipal Towns than in the rural areas; and a regular system of distribution was, therefore, first introduced in the urban areas. The method of distribution was subsequently improved and made more systematic, and at present distribution on the basis of regular ration cards exists in all the Municipalities in the State. In all the urban areas the Municipal Councils are the agencies controlling the distribution under the supervision of the respective Tahsildars. Family ration cards specifying the number of members in the households, the number of units of ration allotted, the retail merchants from whom supplies have to be procured and the period during which purchase can be made are distributed by the Municipalities to all the households in the area, taking particular care to exclude such of the households as have got their own stock of paddy or rice. On the basis of the total units allotted, the retail merchants nominated by the Municipality obtain the supplies from the wholesale merchants to whom stocks are released periodically by the Director of Food Supplies.

In the rural areas the unit of revenue administration is the Pakuthi. Two or three Kara Committees composed of prominent non-officials of the locality have been formed in each Pakuthi for work in connection with the Food Control Measures. The stock allotted to the Taluk every fortnight by the Director of Food Supplies is ear-marked by the Tahsildar to the various Karas; and the Kara Committee distributes the allotted share among the landless section of the population of the Kara who have been brought into a register or family ration card system. The Kara Committees engage retail merchants and Co-operative Societies for purposes of distribution.

All the merchants in the Municipalities as well as in the rural areas are required to obtain licenses under the Food Grains Control Order and to submit periodical returns of stocks as prescribed in the license. Government have also taken advantage of the course of instructions on "Rationing and Food Control" held in Bombay by the Food Department and steps are being taken to reorganise and standardise rationing on a more systematic basis throughout the whole State. A separate Rationing Officer for the City of Trivandrum has already been appointed.

"Grow-more Food Campaign".—Travancore being a very densely populated tract every available inch of ground has been occupied already; and the scope for extensive cultivation is extremely limited. Even then, on account of the present critical situation, Government have embarked on a policy of disafforestation, though to the detriment of forest conservation policy, and made available for cultivation of food crops about 10,000 acres of forest reserves on lease for periods, varying from 3 to 5 years. Further areas which may be released from the forest are under survey.

2. 10,000 acres of Lake Reclamations, left fallow by cultivators, were taken up by Government and leased out for cultivation of paddy last year. More areas will be brought under cultivation this year.

3 600 acres of single crop lands in North Travancore have been converted into double crop lands through Lift Irrigation by means of the Electric Power from the Pallivasal Hydro Electric Project. Arrangements have been made to extend the area so as to cover 2,000 acres.

4 21 manure depots have been opened by the Agricultural Department in different parts of the State and manures to the aggregate value of about a lakh of rupees were sold to cultivators on cash as well as on credit. Arrangements have been made for the importation of oil cakes to the value of nearly 5 lakhs of Rupees. The chief requirement for increasing the output of paddy in areas already brought under cultivation is Ammonium sulphate which is not available. If at least 10,000 tons of this fertiliser are immediately arranged to be supplied local production of paddy could be increased perceptibly. The State has already taken the necessary preliminary steps for the establishment of a Fertiliser Factory. The Central Government can help us very materially by granting priority for the import of the necessary machinery for the Factory.

5 A programme of developing minor irrigation facilities in Central Travancore has been worked out and funds to the extent of Rs. 50,000 have been sanctioned.

6 A scheme to manufacture compost manure on a large scale out of Town and market sweepings has been put into operation under the supervision of the Imperial Council of Agricultural Research and partly financed by them. A scheme to make organic compost for distribution in rural areas has been launched jointly by the Forest and the Agricultural Departments.

Food Grains Control Order—The Food Grains Control Order was first issued in Travancore on the 7th July 1942. The provisions of the Order are rigorously enforced and the returns furnished by the merchants are carefully scrutinised by the local officers.

Food Department—A separate Food Department in Travancore was first organised during the latter part of July 1942 under the Food Grains Controller. To cope with the increasing volume of work especially in connection with distribution the Office has been steadily expanding and at present separate officers in charge of Government godowns and local distribution to wholesale merchants are functioning in six centres of the State. A Senior Officer with sufficient staff is posted at Cochin to take delivery of the stock arriving by steamer and train, and a special Transport Officer arranges for the transport of the stock by back waters to the various Divisional Centres in the State. As mentioned earlier procurement of local paddy which was being attended to by the regular Revenue staff demanded the full attention of a separate officer and a Special Officer designated as the Food Grains Purchase Officer has also been appointed. The work of distribution in the rural areas is supervised by the local Revenue Officers.

Requirements—The representative of this Government on the Food Grains Policy Committee has already furnished the Committee with an estimate of the minimum requirements of the State viz. 6,17,332 tons of rice per year. Making allowance for an annual local production of 2,49,820 tons under normal seasonal conditions the net annual deficit to be made good is 3,67,542 tons or at the rate of 31,000 tons of rice per month. The revised Basic Plan has allotted 52,380 tons of food grains for a period of four months, i.e., from August to November out of which 18,000 tons only are in rice. In other words the allotments fall short of the deficit by 26,500 tons of rice and taking all food grains together 18,155 tons per month. Added to this the slow rate of purchase and the difficulty of transport have resulted in the State actually receiving during the two months (August and September) 22,754 tons only of food grains out of the allotted quantity. Thus it will be seen that the allotment of all the foodgrains taken together has fallen short of the deficit by about 59 per cent. and that the net shortage on the basis of actual delivery is 64 per cent. of the deficit. Consumption and total requirements being calculated even at the modest *per capita* consumption of 223 lbs. of rice it is evident that the maximum of *per capita* consumption possible at the present rate of supply is only 107 lbs. of rice per annum or about 5 ounces of rice per head per day. Even if all the foodgrains are taken together the *per capita* consumption possible is 174 lbs. per year or about $7\frac{1}{2}$ ounces of foodgrains per head per day with State Wide Rationing. It will further be noticed that a portion of the stock allotted under this quota consists of grain and gram flour which have never been and never will be substitutes for rice. Even Bajra, Jowar and other millets are entirely novel to the people of the two States and the greatest difficulty is being experienced in preparing and consuming them. People are already complaining that this novel diet is not easily assimilated by them and they attribute the prevalence of dysentery in the State to these commodities. Out of the $7\frac{1}{2}$ ounces mentioned above the really palatable and easily digestible portion is mentioned above is only about 5 ounces. These figures worked out on the basis of the present rate of supply under the revised Basic Plan may furnish an index of the unparalleled distress prevailing in the State in spite of the comprehensive measures adopted by the Government in the matter of procurement and controlled distribution. It is this distressing process of undernourishment and famine conditions that a population of 51 lakhs has been undergoing unrehearsed for the past one year and a continuance of this process of steady devitalization will leave its indelible impression more particularly on the future generation of Travancoreans.

This Government would therefore strongly urge —

That the quota to be allotted should represent at least a fair proportion of the actual deficit in the State with a reasonable prospect of early purchase and quick transport.

Quotas allotted from distant areas like Baluchistan and the Punjab result in heavy transport facilities not to mention the increased freight charges and delay in the movement. In the case of Travancore in particular despatches by sea and at Cochin necessitates backwater transport over 150 miles with all its attendant losses and congestion at the receiving centres.

Further, the entire population in the State is accustomed from time immemorial to a rice diet; and immediate and wholesale substitution of rice by millets is difficult if not impossible. The immediate allotment of a substantial quota of any crop the replacement by wheat of other commodities to meet the monthly or near an area as possible in British India with an assurance of continuous supply provision of facilities for transports by rail to the extent possible either to Trivandrum, is therefore, absolutely essential.

Direct Control by centre.—It is the considered view of this Government that solution of the prevailing distress, uncertainties of supplies and famine conditions is the immediate assumption by the Central Government of complete control over the food. 'Food' should be treated not only as a central subject but as a special one similar to "Defence" or "External Affairs."

APPENDIX II.

Fourth Food Conference—13th—16th October 1943.

STATEMENT MADE BY THE HONOURABLE SARDAR BALDEV SINGH, MINISTER OF DEVELOPMENT, PUNJAB.

Sir,

This is the Fourth Food Conference we are attending here to-day. Unlike previous conferences, we meet this time under the shadow of a grave calamity which has developed in Bengal where innumerable men, women and children are exposed to unhealed privations and suffering, and thousands of our fellow countrymen have succumbed to death for lack of food. Conditions of acute scarcity prevail in other parts of India as well. Our hearts go out in deep sympathy to the unfortunate people and our business here is to translate this sympathy into active action. Side by side, we must fashion our plans to ensure that such tragedies do not recur in any part of our country.

My Province is in the happy position of being one of the major surplus areas. Our Province has always been that of an exporting province in the case of all food grains. This is looking at India as a whole in terms of its constituent units. It is in the light of these constituent units, however, that the food problem of India has to be considered to-day, in view obviously, of the provincial responsibilities and obligations that devolve on the administrations concerned. I will, therefore, concern myself with the provincial aspect of the Food Problem; or look at it from the point of view of the Punjab in this general review. I do so in no parochial spirit. We have no axe of our own to grind. We have no interest other than of India as a whole to serve. Unfortunately, we have been misunderstood outside the Province and our position has also been misrepresented in certain quarters. Our anxiety is that if we have to fulfil the role which is ours to the advantage of all concerned, our Province, our administration, our people and particularly our growers should be conceded the right to function effectively and at their best in circumstances that will not ignore their own well-being. I make no false claims, but it is literal truth that the contribution we have made in the matter of Food Supplies, both for civil and war needs, far exceeds the expectations made of us. This is no mean achievement. And we are willing to do better, if necessary. But in order that this may be possible, I would like you to understand our problems. If you do, I am sure there will be no misunderstandings and no accusations of hoarding, profiteering and the like. On the other hand, I hope you will share our efforts and our anxiety to help our Province strive more and work harder in the common interest and fair name of our Motherland.

The misunderstandings and accusations to which I have referred have, I am glad to say, been considerably removed. These arose, as far as I can judge, over the view expressed by us on the general question of Price Policy. In the Price Control Conference in July last year, I stated my firm conviction that the Punjab Grower was not being given a fair deal. The policy then in vogue was to control the price of wheat alone and keep it pegged at Rs. 5 per maund. It was impossible for us in the Punjab to justify this policy before the Growers and it was our duty to press their case before the Government of India. The point of interest to note here is that the then Food Member, the Hon'ble Mr. N. R. Sarkar gave a clear undertaking in that Conference that in acting as the central distributing agency the Government of India would not only make no profits themselves, but assume the responsibility of distribution and allotment at their own expense. We were further told that no surplus Province would profit at the expense of deficit areas. How far these undertakings have been kept by the Central Government and other Provinces, we shall see presently. So far as the Punjab is concerned, all we did was to fulfil our obligation to our peasantry and I am here to say that not a pie of profit has been made by us on the transactions either with the Central or any Provincial or other Government at any time. The accusation of profiteering, you will therefore agree, has no foundation in fact. The views laid to the Punjab by the present Food Member, the Hon'ble Sir Jwala Prasad Srivastava, before whom we placed facts and figures, have, I hope, cleared up our position.

I will now explain the stand we have consistently taken up in the Punjab. The Punjab is mainly an agricultural Province. Our main concern, therefore, is the well-being of the growers. There was a time when the price of wheat fell as low as Rs. 1-6-6 per maund.

This is only recent history. This price fetched less than half the cost of production. The plight of growers in such circumstances can better be imagined than described. No one came to their rescue except that after continuous pressure in their behalf a duty was imposed on imported wheat. The Growers sunk in steeper debts, the load of which was all ready extremely heavy. Suffice it to say that the interest charges alone on rural debt in the Punjab were at one time computed to be more than the total annual revenue of the Province, or over Rs 10 crores per annum. What this annual drain meant to the rural population only those who are acquainted with the agricultural people can visualise. And the people of the Punjab were definitely at a disadvantage as compared with others else where who could depend also on industrial and other subsidiary occupations. To add to their trials, they had to contend with higher prices of industrial goods they needed which did not fall as heavily as the prices of primary commodities. These conditions well might have broken up the agricultural economy of our Province.

Things changed somewhat at the outbreak of this war when prices began to rise. Soon after, however while little or nothing was done in respect of other articles of necessity, a control price of Rs 5 per maund was arbitrarily fixed by the Government of India in the case of wheat. This was a case of clear discrimination and I saw its injustice immediately or my joining the Punjab Cabinet. There was no control whatever on the prices of other commodities and of goods needed by the Growers for their life and profession. In such circumstances I pressed for the abandonment of Wheat Price Control at the Price Control Conference in July 1942. You are well aware what happened when the policy of partial control was in force. In the first place it resulted in a complete break down of parity in the prices of all agricultural commodities. For instance whereas the official price of wheat remained at Rs 5 the prices of other food grains jumped to inordinate levels reducing the consumer to innumerable make shift complications. Wheat itself went underground. Black markets sprouted up and the price rose to double the official rate. Even the official Military purchasing agents who could not meet their orders entered black markets and began buying at nearly Rs 2 per maund higher than the official rate. Our position was most embarrassing and the best I could do was to demonstrate the utter hollowness of the control scheme. But it took over six months for Government of India to be converted to our views and wheat was decontrolled early this year.

A new policy was now adopted with the advent of decontrol of wheat prices. Stringent conditions were applied to the Punjab the most important of these being a ban on export of all food grains from the Punjab without permit. In addition we were required to appoint first one and then later in response to our representations six Purchasing Agents who alone could act as middlemen as between the Punjab and outside. Finally the Government of India assumed powers of distribution in deficit Provinces. All these conditions, in spite of decontrol on wheat prices unhinged normal trading with the result that even under the new scheme the province has not been able to secure the advantages of decontrol that might normally have followed. Partial as the advantages were to us I would like you to appreciate the benefits of decontrol to other Provinces as well as to the Government of India. Wheat price which shot up to Rs 13 immediately after the withdrawal of control, came down within a couple of weeks to Rs 10 or lower per maund. Plenty of stocks came into the market and we were able to supply in a short time 175 000 tons of wheat to the Government of India, in spite of the earlier scarcity in markets.

With this new policy in force the price of wheat now ruled from Rs 880 to Rs 1120 per maund during the period under notice. It was between these limits that the six purchasing agents bought wheat in the Punjab markets for the Government of India. The average price paid for wheat in the Punjab does not exceed Rs 1080 per maund. The price charged by Government of India from deficit Provinces called the pool price was however fixed by them at Rs 1100 per maund. We do not know the basis on which this price was fixed and it will clear many doubts if the Government of India were to explain how this was fixed at Rs 1100. Secondly if it was only the Punjab that participated in the pool and if not which other Provinces fell in with them and thirdly whether the pool price was also charged from the Defence Services. The pool price basis of distribution continued till the 15th of August last. To that date the Punjab exported about 250 000 tons of wheat. On this quantity the total amount of difference on the basis of price paid in Punjab markets and the pool price comes over rupees one crore. In view of the undertaking given by the then Food Minister referred to above it seems to us that this amount should either be earmarked for the benefit of the consumers or the growers concerned. What is clear in any event is that the Punjab Government came nowhere in the picture in the process of purchase and sale of food grains. So far as we are concerned therefore there is no justification for the charge of profiteering against us.

It is interesting here to divert a little and state that immediately after the outbreak of war the Railways as a matter of policy went all out to raise the wages of their employees, especially in lower grades and that large amounts of money were set aside in addition, for setting up official or controlled or subsidised shops where workers could obtain their necessities of life at reasonable rates. These necessities were at times sold to the workers at prices much lower than the purchase prices. This action elicited all round commendation. Our view in the Punjab is that if the Railways and other large employers of Labour are justified in raising the wages of worker and providing their needs by subsidies there is no less justification for us to strive for better prices of primary commodities in the interests of our Growers. I am free to admit that ordinarily the economic status of a wage earner is not on the same plane as that of an agriculturist. But taking the larger view of things and

The abnormal war conditions in which we live, the concern for the well-being of producers of food-stuffs should be at a par with the concern for the well-being of industrial workers. In the peculiar conditions obtaining in India, I make bold to say that the contentment of the producers of primary commodities specially in the Punjab is, as a fact, most important from the view point of war effort itself. Most of the recruits from the Punjab—the biggest recruiting centre in the whole of India—are drawn from rural areas. It is well known that conditions back at home of the family members of fighting soldiers affect their general morale in a marked degree. Quite aside from any other consideration, our stand for bettering the lot of Punjab peasantry is a stand for keeping the morale of our fighters at high pitch.

But how much, I am compelled to ask, have we succeeded in bettering the lot of our peasantry as a result of the higher commodity prices? The matter needs reflection. In the first place, we have to see whether the rise in commodity prices is at parity with the rise of other essential articles needed by the grower. It is well known that this is not so. The prices of essential articles have risen much higher with the result that the cost of production of food grains today is also markedly higher than in pre-war years, thus nullifying almost the whole of the apparent benefit of rise in commodity prices. And secondly, whether anything has been done to make these essential articles at all available in the rural areas. In the case of such articles as cloth, drugs, steel, timber, building material and agricultural implements, which should have come to us at least as liberally as we have exported food grains, all I need say is that they are almost entirely unprocureable in our rural areas and whatever is procurable, the prices are prohibitive. You thus see how the grower has fared. As a matter of fact, for three years after the war nothing was done to meet the needs of rural areas. In recent months we have been given some quotas of sugar and standard cloth. In the latter case we were allotted 45,230 bales plus 55,78,600 yards. Of this allotment, we have so far received only 2,008 bales and 8,71,512 yards plus 20 dhosis. The share of rural areas from the latter supplies is 870 bales and 8,22,910 yards and 526 dhosis. So far as steel is concerned, it is hardly procurable in rural areas.

In this light all the talk about the rise in prices of primary commodities seems to be to be quite out of place. In appearance it might be substantial. In point of fact the relief it has brought to the grower is but nominal. Our view is that any attempt at reducing down the prices of primary commodities would be wholly unfair unless not only are the prices of other commodities and consumers' goods also lowered and controlled, but arrangements are made that such of them as are essential for the needs of rural population are made available to it in an organised and adequate manner.

May I ask you to consider the question of wheat prices in another light? The total production of wheat in India in the current wheat year is estimated at 10,971,000 tons as against that of rice which is 24,533,000 tons. The relative prices of these two commodities in September 1939 were Rs. 2-12 0 per maund for wheat as against Rs. 3 per maund for rice. The present prices of these two commodities are Rs. 10-8 0 per maund for wheat in Punjab and Rs. 20 per maund for rice in Calcutta. Rice is consumed by a much bigger percentage of population and its available supplies are short owing to the absence of imports from abroad. I should have thought that in such circumstances there was a far greater case for the control of rice prices in the interests of the vast mass of rice consuming areas. In any event, what I cannot understand is why the price of wheat which has risen much less than the price of rice is attacked on all hands.

Latterly some apprehensions have been expressed with regard to the procurement of food grains in the Punjab. It is alleged that we have advocated hoarding of stocks. Here again what are the facts? I give below a detailed comparative statement of the arrivals of food grains in our principal markets—

- (i) Average daily arrival of wheat in each of the nine mandis, during June, July and August 1943 was 193 tons as compared with 146 tons in the corresponding months of 1940.
- (ii) Total arrivals in 15 colony markets during the four months May to August in each of the three years 1941 to 1943 are shown as 200,230 tons, 237,032 tons, and 243,073 tons respectively.
- (iii) Total arrivals in 25 markets during April to August 1943 are shown as 425,700 tons as against 371,800 tons during the corresponding periods of last year.

These figures demonstrate that the stock position if anything was better than the previous year and further that arrivals in August this year were bigger than those in the month of August 1940 which, incidentally, is not a normal thing—the month of August being a slack month for commodity movements. On page 25 I give the monthly arrivals of wheat in the Lyallpur Market which also support this. What happened in the abnormal conditions prevailing in the Punjab in recent months needs examination. In the first place the monthly movement programme framed by Government of India was sent to us in the third week of May although it dealt with despatches for April as well. When the scheme came, the purchasing agents made large-scale purchases. Our expectation was that the stocks purchased by them would be exported without difficulty. This was not done. There were difficulties in wagon allotments. There were difficulties, as we have since been advised, in the way of deficit provinces, who were unable to receive the stocks earmarked for them. There were no storage arrangements by Government of India for storing stocks that remained undespached for inordinate periods. The following state-

showing monthly purchases, despatches and undespached balances at the end of each month is self revealing

ments showing monthly purchases, despatches and undespached balances at the end of each month

(A) ALL FOOD GRAINS

[In tons]

Months	Purchases	Despatches	Undespached balances.
	195,512	16,187	179,325
May	42,226	62,682	158,969
June	56,127	73,459	141,637
July	19,469	82,603	78,463
August	27,244	42,701	63,006
September			
Total	340,598	277,592	63,006

* Includes 11,000 tons of wheat purchased from Khairpur.

(B) WHEAT

Months	Purchases effected	Despatches made	Undespached balances
May	147,591	12,425	135,166
June	13,813	40,373	103,609
July	27,903	50,075	86,439
August	80	50,136	36,383
September, to 23th	11,232	24,543	23,122

These figures it is to be noted relate to purchases made for civil population and do not include the purchases made on behalf of the Defence Services estimated at 1,200 tons per day. From what I am able to disclose shows conclusively that ample stocks remained undespached from month to month. The North Western Railway did their best. The point to note is that if heavier stocks had moved from the villages in markets the growers would have been at a grave disadvantage. Our course was quite straightforward. Following our consistent policy namely to work for the advantage of the grower, we were bound to advise him to be cautious.

A word about the normal practice in rural areas in regard to the movement of food grains into grain markets to appreciate the fact that you cannot have stocks merely because you want or ask for them. The grower will convey supplies to markets only when he is otherwise not pre-occupied with field occupations. Thus when the rain comes and the sowing may be in fit falls he gets busy with ploughing and manuring of fields. Later when the seed has sprouted his time is taken up with weeding operations. This means not only that he will not bring any food grains unless the traders have room or facility to buy it but that he will be unable to do so when he is himself pre-occupied on fields. It is essential therefore that whenever stocks are brought in the market they are purchased without delay. Further in order that purchases may be unfettered there should be effective storage arrangements on the spot. I need hardly point out here that the Government of India made no storage arrangements whatever in local areas with the result that when purchases accumulated the stocks remained undespached and lay exposed to wind and weather.

Nor are we sure that even when stocks are available in the market the Government of India would actually buy them out. I say so because in August and then again in recent weeks though ample stocks were available in our markets the Government of India stayed their hands only because the prevailing market rates rose a couple of annas or so above their ceiling price fixed for the Punjab. I should have thought that in view of the gravity of situation elsewhere and demand for food grains particularly from Bengal they would not grudge paying this little extra rise in price. Incidentally such a course would also have encouraged the inflow of additional food grains from villages to the markets. The Government of India on the other hand stuck to their ceiling price and left huge available stocks unbought. The Punjab prices it is to be noted, are lower by about Rs 3 per maund than the prices ruling in the United Provinces, where presumably the Government of India are also making their purchases. Their present policy of hesitancy in the Punjab is quite inexplicable to us.

A brief resume here of the method followed by us regarding the prices when purchasing wheat will be useful. Immediately when the new procurement scheme for the current wheat year came into operation in May last the guiding principle of our programme was to keep the Government of India informed of market conditions from day to day and to lay down a price for our purchasing agents within which they were instructed to operate. Earlier, in February after wheat was decontrolled its price as I have already stated, rose to over Rs 13 per maund. From that figure the price was brought down by us to Rs 11.40 early in April and then to Rs 10.120 in the beginning of May. In the third week of this

been pocketed by Sind Government with the knowledge of the Government of India. In case of rice, Sind Government made its purchases at Rs 10 per maund from the growers sold rice stocks outside the Province first at Rs 13 per maund, and then at Rs 17 maund, which is their current price. The profits which the Sind Government have made from Rs 360 per maund in the first instance and Rs. 760 per maund in the second in the Punjab do not understand how Sind has been allowed this privilege. If the plea is that its sale price must be on parity with the Punjab, how is it that the Punjab has not allowed a parity with the prices of United Provinces or Bengal? It is said that the policy adopted by Sind Government in keeping the price of wheat low is in line with the official policy of the Government of India in regard to the necessity for checking inflation. So the same reason should have been enforced against the United Provinces and this Province should have been prohibited from allowing the price of wheat in its territory to rise beyond at least the Punjab wheat prices. In any event, the argument in regard to inflation would stand only if the reserves which Sind Government have built were to be left untouched. The Province on the other hand from all accounts has always been in a chronic state in regard to its finance and if the funds of which Sind growers have been deprived are utilised by the Government in other channels, it would not benefit the anti-inflation policy of the Government of India. That being so, we are entitled to ask the reasons which prompt the Government of India to let Sind Government profiteer in the matter of the sale of foodgrains. The wheat export quota fixed by Government of India for the current year for Sind was 175,000 tons. Of this the Sind Government have exported 113,000 tons so far. Our information is that the Sind Government have now expressed their inability to export any more wheat supplies. Presumably the Sind Government have failed to fulfil their obligations. It is common talk that the real reason why Government of India have agreed to let Sind act in the manner they have done was more political than economic or financial.

As regards Bengal I am afraid that until recently the state of affairs as regards prices was far from satisfactory. It was not my intention to say much in this connection as enough had been said on the subject from different points of view, and the dire distress of our countrymen there calls far too loud for our aid than anything else. A few days ago, however the Government of India issued a statement the purport of which seemed to be to explain away the profits made by Bengal Government by setting off certain losses which we are told are being incurred now by Bengal Government as a result of lowered prices. We do not accept this statement as it stands. We consider that earlier profiteering cannot be exonerated simply because its balances are to be utilised for relief now. For if there is a case for lower prices now surely it was no less so when atta was being sold at Rs 20 in Calcutta. Next so far as we are concerned, our complaint was, and is that in addition to Bengal Government, profiteering was also being indulged in by Bengal Stockists, Middlemen and Millers. In the statement now issued it is said that 'Bengal Government are not concerned in profits from transactions by millers and others. Who sanctioned the high milling charges?' On what precedents did the stockists obtain big allowances for such items as wastage in transit and tare of bags? It cannot be denied that rates were fixed and sanctioned by Bengal Government. I think in the circumstances, a short analysis, as we make it of Bengal affairs will not be out of place.

The price of atta in Calcutta until about August last was Rs 20 per maund. On the basis of Government of India's pool price of Rs 11 10 0 per maund of wheat, this price taking into account freight, handling and milling charges should not have been more than Rs 15. And when the pool price was abolished on the 15th of August this rate should have been reduced to at least Rs 13 12 0 as since that date the maximum price which Bengal Government paid to Punjab growers for wheat was not more than Rs 10 4 0 per maund.

In addition to wheat Bengal Government also purchased wheat products such as atta and masda from the Punjab millers direct. The prices paid for atta and masda in the Punjab was Rs 11 3 0 and Rs 14 8 0 per maund on an average. Landed in Calcutta the respective prices should have been Rs 12 9 0 and Rs 15 4 0 per maund. As against these, the official prices in Calcutta were Rs 17 8 0 and Rs 20 per maund, respectively.

A word here as to the various allowances, discounts and milling charges allowed by Bengal Government will not be out of place. According to official tests carried out in the Punjab there is an increase of about 3 per cent in the weight of atta after milling due to processing. In Bengal on the other hand a discount of 2 per cent was allowed to Calcutta millers by Bengal Government. This was in addition to a discount of 1 per cent allowed for loss during transit and another 1 per cent for tare of bags. There was thus a substantial margin of profit which accrued to Bengal stockists and millers. It is refreshing, however, to note that as a result of persistent pressure the Bengal Government reduced the price of wheat in Calcutta from Rs 15 8 0 to Rs 12 12 0 per maund and that of atta from Rs 20 to Rs 14 per maund from the 20th September last.

I must now touch on a difficulty with which the Punjab is faced in regard to procurement of foodgrains. As is known our Province is interdocted with a number of States big and small throughout its territory. At present there is no adequate co-ordinating policy as between the States and our Province. The result is that it is easy for stockists to remove foodgrains from the Punjab into adjacent State territories or for the States people to import foodgrains. Due to the absence of a co-ordinating policy and of any effective control within the States over stocks and prices, there is a confusion.

I would not be surprised if there is some profiteering also being indulged in. As a matter of fact, a serious case of large-scale removal of foodgrains from our Province to one of the States from where these were being despatched to Calcutta, has just been brought to our notice. A large number of persons involved in smuggling have been arrested by the police. It is our considered view that if we have to act effectively and fulfil our obligation, there should be some kind of co-ordination between the States and the Punjab and machinery for it should be devised as soon as possible.

I am now left to deal with the recommendations of the Foodgrains Policy Committee. The Report of the Committee has only just come in our hands. What strikes us in the first instance, is quite odd is that though in the matter of foodgrains production our Province ranks high in India, no effort was made to obtain the Punjab Growers' case. The fate of millions of agricultural producers was involved. The Committee, we think, should have included a member fully conversant with the particular problems of agricultural life. Generally in the Punjab. What has happened, as is apparent from the recommendations is, that in coming to conclusions based on theory, the problems of agricultural life and practice have been overlooked. The number of notes appended to it not a few of which are in fact of different, show unmistakably that the recommendations are by no means uniform. Nevertheless, these are of far-reaching import and require very careful examination. To give mind the one beneficial recommendation which is of interest to us in the Punjab is the emphasis on the need of making consumers' goods available to the growers. I have in my observation already shown how gravely the growers have been hit by an almost utter lack of the goods necessary for their life and profession in rural areas. I agree with the Committee's recommendation that if consumers' goods are made available to the growers in substantial quantities, a number of problems, particularly the problem of rationing, will find their own solution in good time. In actual practice, the application of this recommendation will require great thought, and greater efficiency in the provision of goods and of the machinery of supply and distribution. A Central Authority, a scheme of equitable supply and distribution and a well-trained staff will have to be provided before things are set going. All this will require considerable time. All I will say at present is that we are intensely interested in this matter and will watch carefully what arrangements the Government of India are able to make in this connection.

The Committee have, however, gone further and proposed among other things, schemes of statutory price control, rationing and requisition of foodgrains. In these matters, so far as we in the Punjab are concerned, we have very definite views.

(a) As to rationing, we consider that in surplus Provinces such as ours, it will create more problems than it will solve. Aside from the necessity of employing an exorbitantly expensive staff which we in our Province may not find it so easy to procure, as for instance Bombay has done—the very fact that urban areas in the Punjab cannot be isolated from villages is enough of a problem to warn us against the adoption of rationing scheme. The flow of foodgrains from rural areas to the cities will be well nigh impossible to check. We feel certain that if we introduce rationing in even a few bigger cities, we shall add to the discontent already prevalent there. The plain fact is that from the experience so far gained in the matter of rationing of sugar, matches, fuel, etc., the rationing authority has not been able to cope with the situation. We have put our already heavily burdened district staff under great strain. We consider that so far as the rationing of foodgrains is concerned, it is entirely uncalled for in our Province, and if the argument is that it is necessary in the interest of deficit areas, the argument would hold force only in case if it were proved that we have been found wanting in meeting the demands made on us. From what I have said, on the other hand, it is clear that this is not so. We, therefore, see no reason why we should introduce rationing in our larger cities.

After careful consideration, it appears that in the special circumstances prevailing in the Punjab, rationing will not result in conservation of supplies or more equitable distribution to any appreciable extent. It will create an administrative problem of great magnitude without corresponding benefits and it will make procurement operations for deficit areas more difficult by creating a demand of nearly 300,000 tons for Punjab towns alone. While it is true that rationing is definitely desirable in deficit areas, the balance of advantage lies in not introducing it in the Punjab towns. It appears that rationing is being given added importance on grounds of demands by public opinion abroad. Public opinion at all times can be educated, especially when it happens to be an informed one, and in some cases public opinion follows Government opinion. It is highly dangerous to apply what may be theoretically correct under certain circumstances for some areas, to all areas under all circumstances, and in this respect an ounce of practical experience would be of more value than a ton of theory.

(b) As to statutory price control, the views of the Punjab Government are well-known. We hold that unless there is an all-round control over stocks, prices of all commodities and goods, and unless there is an efficient and well-organised agency as well as necessary staff at our disposal, any control over foodgrains is impracticable. The Government of India appear to be under an impression that rationing is being given added importance on grounds of demands by public opinion abroad. Public opinion at all times can be educated, especially when it happens to be an informed one, and in some cases public opinion follows Government opinion. It is highly dangerous to apply what may be theoretically correct under certain circumstances for some areas, to all areas under all circumstances, and in this respect an ounce of practical experience would be of more value than a ton of theory.

of prices controlled at source has not been passed on to the public at large and only not to the rural population. The benefit, if any, has accrued mainly to the Government themselves or to their contractors and sales agents. Statutory control of prices of agricultural commodities will involve the extension of penal laws over millions of growers in the countryside subjecting them to the harassment of petty subordinates and others untrained in the art of public weal and unacquainted with a temper of rural masses. And here let me touch upon a matter which is admittedly the crux of any planned economic action which the State can undertake. The success of a policy of control over prices of crops ultimately depends on wide based whole hearted public co operation. It was a former Executive Councillor himself (Mr N R Sarker) who publicly owned that the present Government of India did not enjoy the support and confidence of people at large necessary for the success of official economic measures. This is most unfortunate. But facts must be faced. And the tragedy of the situation is that it is we, on whom ultimately falls the burden of having to carry the load of popular discontent and to face the odium of applying economic measures that lack popular sanction. I would, therefore caution the Government of India and urge them to give this aspect of the problem their serious consideration and not to plunge in the dark. At present the essential pre-requisites of even a partial success of economic measures which the Foodgrains Policy Committee have proposed do not exist. The Committee does not say so in its Report, but this aspect of the matter was perhaps beyond their business.

In the Punjab prices have not only been lower than in other parts of India but also fears more than anything else vocally at one with the rest of India to do everything in our power for meeting the needs of war and civil population. We are fully conscious of our responsibilities and were it not for our conviction that price control would undermine the effectiveness of our growers to play their part, we would not take the stand we have been compelled to take.

(c) Nor do I see any reason for accepting the Committee's recommendation in respect of procurement policy. In actual practice it will amount to requisitioning of food stuffs. There might be some argument in its favour if in conditions as they have so far prevailed either the Punjab grower or Government had failed to procure the quotas needed for export. As I have shown above we have in fact met larger and additional demands from outside. This has been possible in spite of the many handicaps and disabilities to which our rural population has been subjected. If consumers goods can be made available to our growers and if, as the Committee suggests payment for foodgrains in rural areas can be made in silver or gold I have no doubt that there would be no fear at all of stocks being withheld anywhere.

Even after the issue of the Agenda for this Conference and while we were presumably being called upon to deliberate as a body and help in arriving at a suitable solution of the present crisis Government of India have thought fit to issue an order to the Banks in the Punjab freezing their entire stocks of wheat without the knowledge or previous consultation with the Punjab Government. The Punjab Government consider this action highly prejudicial to the future success of procurement operations unwarranted and panicky. In taking this action Government of India have departed from their declared policy of acting in consultation with Provincial Governments who are ultimately responsible for carrying out any policy and who have special responsibilities for law and order and internal food situation. Quite apart from the merits of this step I fail to understand the secrecy associated with the passing of that order which shows lamentable lack of courtesy and co-operation. Requisitioning is a major question of policy and even the Foodgrains Policy Committee have made definite recommendations which we have been called upon to consider. I am not at all sure about the constitutional propriety of the action taken and I must sound a note of a warning that if this ill advised and hasty step which might or might not have been recommended if the Punjab Government had been consulted, results in very undesirable consequences from the point of view of future procurement the responsibility will rest solely with the Government of India. This step might easily be calculated to destroy that confidence and sense of stability amongst both growers and the trading community which had been substantially built up with the greatest difficulty after the price of wheat was decontrolled earlier this year. Already we have had a protest from the Northern India Flour Mills Association that the order has resulted in interfering with the normal flow of wheat to the mills which would make it difficult for them to fulfil in some cases the contracts entered into with the Agent to the Government of Bengal.

Admittedly the case for rationing for statutory price control and for requisitioning is due to the unsatisfactory state of affairs in deficit provinces. Admittedly all is not well with the distributing system elsewhere. Are we to understand that we are to be penalised for the sins of others in spite of the fact that we have done much more than what was expected of us?

In the end I need hardly enlarge on the grave administrative and political repercussions which will follow in the Punjab if the policy of rationing statutory price control and requisitioning is enforced. The effect on recruitment might well be unwholesome as this policy will create grave discontent in rural recruitment centres. I would therefore earnestly beg the Conference to give careful thought to the peculiar position of the Punjab and not increase the difficulties and problems with which we are already burdened by any hasty action. If in spite of our submissions and advice the Government of India do apply the

scheme to our Province, I feel constrained to say that the responsibility for the consequences that will ensue will lie on the Government of India and that I and my colleagues in the Ministry will find ourselves incapable of coping with the situation.

POSITION OF PURCHASES AND DESPATCHES UNDER THE PLAN

(Information complete up to 30th September 1943 in tons)

Food grain	Total quota	Already purchased	Despatched	Balance of purchased quota to be despatched	Balance to be purchased	Quota exceeded by	REMARKS
Wheat { Civil	320,274	225,109	*178,550	†53,850	94,874	...	
Wheat { Military	100,000	157,180	157,180	...	302,820	...	
Wheat products { Civil	119,720	...	(Permit issued, 20,404)	...	199,322	...	
Rice { Civil	50,000	77,344	55,380	11,064	...	65,023	
Gram { Military	150,000	37,079	21,030	13,649	...	10,000	
Gram { Civil	...	63,820	48,683	15,157	14,225	...	
Millet { Military	200,000	33,067	33,069	...	...	2,084	
Millet { Civil	...	196,021	180,338	12,586	...	...
Maize { Military	8,000	3,160	3,160	...	...	11,766	
Maize { Civil	...	13,902	13,978	84	...	...
Barley { Military	22,000	5,801	5,804	...	...	...
Barley { Civil	...	7,823	7,691	132	...	5,294	No quota allotted by Government of India, but offered voluntarily.
Barley { Military	...	19,171	19,471	...	...	...

MONTHLY ARRIVALS OF WHEAT IN THE LYALLPUR MARKET

(In Bags)

	1940	1941	1942	1943
January	6,875	13,200	Nil	1,800
February	9,350	7,750	Nil	19,180
March	4,200	22,500	Nil	30,900
April	20,325	22,300	5,900	8,910
May	152,000	...	156,800	94,700
June	86,800	68,600	145,400	89,200
July	81,400	80,600	23,100	58,000
August	39,500	54,400	6,780	68,600
September	71,800	50,600	13,750	100,780

STATEMENT SHOWING INCREASE IN PRODUCTION OF PRINCIPAL FOOD-GRAINS AND TOTAL CEREALS AND PULSES IN THE PUNJAB

(In 000' tons)

Year	Wheat	Barley	Gram	Rice	Jowar	Bajra	Maize	Total principal food-grains	Total cereals and pulses
1937-38	3,723.9	206.3	640.3	548.0	88.8	239.3	406.4	5,851.0	6,183.0
1938-39	3,235.4	150.7	375.0	466.3	69.2	218.1	383.9	4,898.6	5,200.6
1939-40	3,200.7	190.5	498.5	441.8	63.6	244.2	405.3	5,610.6	5,936.6
1940-41	3,338.9	219.3	699.7	462.7	98.1	477.4	447.8	5,743.9	6,088.9
1941-42	3,873.0	226.6	648.7	457.8	94.3	442.6	463.4	6,206.4	6,580.0
1942-43	4,175.1	200.6	1,095.7	600.3	113.2	711.1	465.4	7,441.4	7,854.1
Increase in 1942-43 over 1941-42	302.1	54.0	447.0	142.5	18.9	268.5	2.0	1,235.0	1,294.1

*Exclude 100,000 tons for Delhi.

†Includes 31,400 of November delivery. Military have purchased all requirements for October (35,000 tons).

‡This excludes 4,350 tons of wheat products despatched before 15th July 1943.

§The grain quota was originally 150,000 tons and under the revised Basic Plan 76,000 tons. Deductions were made for free export to Delhi. Punjab Government have since declared additional surplus of 10,000 tons.

||Includes 12,000 tons permitted in April 1943.

	WHEAT		RICE	
	Area	Production	Area	Production
		Tons		Tons
1937-38	35,610,000	10,761,000	72,568,000	26,699,000
1938-39	35,441,000	9,963,000	73,398,000	23,982,000
1939-40	34,019,000	10,767,000	74,278,000	25,734,000
1940-41	34,862,000	10,005,000	73,063,000	22,191,000
1941-42	34,039,000	10,037,000	73,579,000	25,351,000
1942-43	34,298,000	10,971,000	74,919,000	24,533,000

Source : Estimates of area and yield of Principal Crops of India—1939-40
[Thousand tons]

[illegible]

Position of Provinces with regard to production : First four places

	I	II	III	IV
Rice	Bengal	Madras	U. P.	Assam
Wheat	Punjab	U. P.	(Together they produce 77% of the total crop).	
	42%	35%		
Barley	U. P.	Bihar	Punjab	N.-W. F. P.
Jowar	Madras	Bombay	C. P.	And
Bajra	Madras	Bombay	U. P.	Punjab
Maize	U. P.	Bihar	Punjab	N.-W. F. P.
Gram	U. P.	Punjab	Bihar	C. P.
Total grains	U. P.	Bengal	Madras	Punjab

Fourth All India Food Conference.

STATEMENT BY MR. M. A. GREENIVASAN, MINISTER FOR INDUSTRIES AND SUPPLIES, MYSOOR STATE

At our last meeting some doubts were expressed as to the ability of the Long Range Planning Committee. I am sure I am voicing the feelings of every one here when I say that the Committee has more than fully justified its creation. It has produced a ~~valuable~~ report, comprehensive, intimate and authentic as was only to be expected from a group consisting of men of such eminence and guided and presided over by a Chairman so able and distinguished.

You have asked us for our general reactions on policy suggested in the E. T. report for Mysore, I might at once say that we welcome the report. We welcome the recommendation and your decision to import a substantial quantity of foreign wheat from the great value of such an import in filling the domestic deficit in wheat and supply position, the psychological effect of such a large import cannot be overestimated.

We feel gratified that in Mysore we have accomplished the work of the Committee in so many matters; and that generally every one has recently followed and every decision we have taken has been in the Committee's Report.

We were among the earliest to introduce the control of movement as early as in 1917. Later, we divided the State into areas and found that the surplus areas had to send the surplus to the State. The grain merchants were forced to do so. This was a great improvement in our operations. This year however we found malpractice and we found it necessary to send and to utilise official agencies to

In your opening Speech, Sir, you have stressed the need for every Province or State focus attention on and to utilise its own local resources to the fullest. I think it please you and Sir Theodore to hear that in addition to the arrangements I have referred above, we have just completed an intensive procurement and de-hoarding drive. Under scheme, every holder of grain, be he cultivator, merchant, stockist or official, who was in possession of a stock of grain in excess of a prescribed minimum,—about 20 maunds in case of rice and 30 maunds in the case of millets,—was called upon to declare the stock in his possession; and the Government offered to purchase the surplus at a specially enhanced price. This enhanced price was effective only over a definite period and not afterwards. At the end of the period drastic action was to be taken against those that had declared or had falsely declared their stocks. As a result of this measure a considerable quantity of grain that was invisible became visible, and Government found itself in possession of about 60,000 tons of foodgrains. This has served as an emergency reserve, but we have at least four anxious months to face before the next harvest comes and what we have is insufficient for our bare needs. We have banned the over-pols of rice. We were among the first to introduce urban rationing. Bangalore City and Kolar Gold Field have been under the rationing system for many months now and we soon have every little town in the State under a rationing system based on a *pucca* enumeration of the population. The daily ration we have been able to allow is less than a lb. With a view to ensure equitable distribution and equality of sacrifice between surplus and the deficit rural areas, we have felt obliged to introduce a measure of rationing even in the rural areas. We have over 900 distribution depots—urban and rural—and are being opened particularly in the rural areas. Some of these are itinerant depots serving a number of villages in rotation somewhat like the weekly bazaar or shandy. The poor come first in the list of those to be supplied. Only a definite number of cards are alloted and served by each retail depot.

Realising that even a single death due to starvation in the State, due to whatever cause whether to failure of procurement or of distribution—is an indelible blot and stain on administration, we have opened a number of free kitchens in areas of particular scarcity where cooked food is served to the poorest of the population to whom special cards issued by a local committee of men selected for their local knowledge and their recognition of philanthropy and public service. A lead was given in this matter by His Highness Maharaja who has made a generous grant for the free feeding of all the poor in the City of Mysore.

We have constituted Food Councils,—a Central Food Council, District Councils and Taluk Councils. We are in addition utilising the services of a large number of non-official designated Honorary Food Wardens in running our depots and smoothening out any local difficulties or troubles.

Realising the importance of speedy transport, we have appointed a Special Officer for transport and movement. It might be of interest to note that with a view to augment the available transport facilities the Government of Mysore had to arrange to build a large number of bullock carts in certain selected centres and hand them over to *bona fide* transport agencies.

An intensive "Grow More Food" campaign has been in progress and has resulted in bringing over 70,000 acres of hitherto uncultivated land under cultivation.

Above all the Government are determined not to let any of the marketable surplus of the next harvest go underground or disappear into hoards or to blackmarkets. To this end they have decided to purchase the surplus of the harvest of all holdings which are above the sub-economic or deficit level. All holders of non-deficit holdings are compelled to sell to the Government the surplus products of their holdings over and above the *bona fide* needs of their families, their dependents and their seed requirements at prices considered as fair having due regard to the present cost of cultivation and cost of living. An important feature of this scheme is the proposal to receive payment of land revenue in kind i.e., the shape of foodgrains in respect of all lands that grow food crops.

It will thus be seen that we have taken action to utilise all our resources to the fullest extent and to see that those resources are drawn upon and distributed in the fairest and most economical manner possible. But as I have already stated above we have still four anxious months to face before our main harvests come in and in the meanwhile we urgently need all the assistance that the Government of India can give us.

The Government of India have recognised the importance of bearing in mind the special requirements of particular areas. The Foodgrains Policy Committee have declared that "Military authorities as well as the Food Department should take into consideration the direct and indirect effect upon available food supplies of the strategic plans now being elaborated in so far as these concern the presence of large Overseas Forces in India". On another day the Secretary of State made reference in the House of Commons to the difficult food situation in Mysore and Bangalore. Might I be pardoned for saying that there is to be little appreciation of Mysore's position not only as a supplier of war materials but as an important military base and training ground in India—a less lively appreciation of Mysore's position in regard to this matter in Delhi than in Whitehall?

If I am not giving away any secret, we have more troops and military establishments stationed and in training in the Mysore State than appears to be generally realised. I would invite you, Sir, and all those responsible for making the allocations under the new K/Plan to visit Mysore and see things for themselves. Against a deficit of nearly 50,000 tons of rice we were allotted under the current basic plan a nominal 1,000 tons of rice.

d a quantity that is insufficient to feed even the population of the Bangalore Cantonment a month, insufficient to supply even the minimum demands of the Civilian personnel attached to military units for two months. We did not get one grain out of the large surpluses declared by the Punjab and Sind, while our neighbours Madras and Bombay got portions of these. They say that it is the baby that cries loudest that gets the milk and gets it first. It looks as though in addition to being far away from Delhi we are not crying loud enough to be heard. We hoped that at least under the new *Kharif* plan we should be treated less ungenerously. But all that we have been allotted is about 6,000 tons of rice from our good neighbour Coorg which Province is historically, geographically and economically so much a part of Mysore that it has always got its supply of consumers' goods from Mysore. Till recently the Hon'ble Resident in Mysore was also the Chief Commissioner of Coorg. The least that we were led to expect was that we would be allotted the rice surplus of Coorg in exchange for the many commodities which we have always produced and would have to continue to supply to this Province. I hope that even now it is not too late to reconsider the plan and to let Mysore have at least the whole of the rice surplus if no additional allotment of rice could be made to Mysore from any other Province or State. Even the whole of this surplus would be totally inadequate to meet the deficit facing Mysore and in view of the special considerations I have pointed out above I did urge that a substantial allotment be made to Mysore of millets from Hyderabad and Central Provinces and of the consignment of imported wheat that the Government of India have so thoughtfully arranged to obtain. I hope that I have said enough to convince the Government of India that we have left no stone unturned to utilise our local resources to the fullest extent possible and that in view of our industrial and military position we deserve more generous treatment than we have so far obtained.